

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**

**A G E N D A**

**MONDAY, JUNE 17, 2019**

**REGULAR SESSION AT THE CONCLUSION OF THE BOARD OF SUPERVISORS  
MEETING**

- I. CALL TO ORDER
- II. CLOSED SESSION - Section 2.2-3711 (a) 1) Personnel Matters
  - A. Personnel Matters
- III. RETURN TO REGULAR SESSION
- IV. CERTIFICATION OF CLOSED MEETING – Resolution #WS-19-39
- V. APPROVAL OF AGENDA
- VI. APPROVAL OF CONSENT AGENDA
  - A. Approval of Minutes – See Attachment – B.
  - B. Warrants – See Attachment – C.
  - C. Resolution #WS-19-42 – Personnel Matters Resulting from Matters in Closed Session
- VII. PUBLIC HEARING - None
- VIII. ITEMS WITH APPOINTMENTS - None
- IX. NEW BUSINESS
  - A. Resolutions
    - 1. Resolution #WS-19-38 – Approval of the Skippers Wastewater Treatment Plant Project – See Attachment – D.
    - 2. Resolution #WS-19-40 – Authorizing the Issuance, Sale and Award of a Water and Sewer System Revenue Bond – See Attachment – E.

3. Resolution #WS-19-41 – Memorandum of Agreement between the Virginia Department of Military Affairs and Greenville County Water and Sewer Authority – See Attachment – F.

X.

ADJOURNMENT



At the Regular Meeting of the Greenville County Water and Sewer Authority, Monday, June 3, 2019, with Regular Session beginning at the conclusion of the Board of Supervisors meeting, in the Board Room of the Greenville County Government Building, 1781 Greenville County Circle, Emporia, Virginia

Present:       Raymond L. Bryant, Chairman  
                  Tony M. Conwell, Vice-Chairman  
                  Michael W. Ferguson  
                  William B. Cain

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Chairman Bryant called the meeting to order.

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In Re: Closed Session

Mrs. Parson, Director, stated that Staff recommended the Authority go into Closed Session, Section 2.2-3711 (a) 1) Personnel Matters.

Mr. Conwell moved, seconded by Mr. Ferguson, to go into Closed Session, as recommended by Staff. Voting aye: Mr. Cain, Mr. Conwell, Mr. Ferguson and Chairman Bryant.

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In Re: Regular Session

Mrs. Parson stated that Staff recommended the Authority return to Regular Session.

Mr. Conwell moved, seconded by Mr. Ferguson, to go into Regular Session. Voting aye: Mr. Cain, Mr. Conwell, Mr. Ferguson and Chairman Bryant.

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In Re: Certification of Closed Meeting – Resolution #WS-19-37

Mr. Conwell moved, seconded by Mr. Ferguson, to adopt the following Resolution. A roll call vote was taken, as follows: Mr. Cain, aye; Mr. Conwell, aye; Mr. Ferguson, aye and Chairman Bryant, aye.

**RESOLUTION #WS-19-37  
CERTIFICATION OF CLOSED MEETING**

**WHEREAS**, the Greenville Water and Sewer Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and

**WHEREAS**, Section 2.2-3712 of the Code of Virginia requires a certification by the Greenville County Water and Sewer Authority that such closed meeting was conducted in conformity with Virginia law:

**NOW, THEREFORE, BE IT RESOLVED** that the Greenville County Water and Sewer Authority hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Greenville County Water and Sewer Authority.

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In Re: Approval of Agenda

Mrs. Parson stated that Staff recommended approval of the Agenda with no added items.

Mr. Ferguson moved, seconded by Mr. Conwell, to approve the Agenda, as submitted. Voting aye: Mr. Cain, Mr. Conwell, Mr. Ferguson and Chairman Bryant.

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In Re: Approval of the Consent Agenda

Mrs. Parson stated that Staff recommended approval of the Consent Agenda containing the following items:

Mr. Ferguson moved, seconded by Mr. Conwell, to approve the Consent Agenda. Voting aye: Mr. Cain, Mr. Conwell, Mr. Ferguson and Chairman Bryant.

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In Re: Approval of Minutes for the meeting of May 20, 2019.

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Warrants:

Approval of Total Accounts Payable for June 3, 2019, in the amount of, \$243,920.15

Approval of General Fund, in the amount of \$216,468.05

Approval of Special Projects, in the amount of \$27,452.10

Approval of Payroll for May 31, 2019, in the amount of \$105,659.60

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In Re: Resolution #WS-19-38 – Approval of Skippers Wastewater Treatment Plant Project

Mr. Glen Gibson addressed the Authority stating that in 2017, B&B Consultants was contracted to perform a Preliminary Engineering Report on the construction of a new wastewater treatment plant to service the I-95, Exit 4 Interchange. He stated that in the Preliminary Engineering Report, a budget was developed of \$4,835,297. He also stated that in 2018, the Authority authorized Staff to contract with B&B Consultants to design the proposed facility. Mr. Gibson stated during the design phase, it was determined that it would be best to break the project up into two contracts. He further stated that contract #1 was the force main and a pump station that would be needed to transport the wastewater from the existing service area to the proposed new treatment plant. He stated that contract #2 was for the treatment plant itself. He also stated that on April 24, the Authority received six bids for contract #1 and on April 30, the Authority received six bids for the treatment plant. He further stated that after receiving bids, B&B Consultants and Staff developed a revised budget, with the total new budget being \$7,479,269.20. Mr. Gibson stated that the project was \$2,643,972.00 over the initial budget developed in the PER. He stated as the Project Manager, it was his responsibility to bring projects in within their budget, and with this project, it was not done. He then asked Sam Carroll, the owner of B&B Consultants, to come forward and explain why the project was over budget. Mr. Gibson stated that as a reminder, B&B Consultants had done many projects for the Water and Sewer Authority, with some of them being very big projects.

Mr. Gibson also stated that the Dominion Utility Projects were the largest. He stated they had completed the Phase I projects and that this project had a total budget of over \$46,000,000 for both Phase I and Phase II. He also stated that Phase I came in under budget in the amount of \$426,405 and Phase II was still under construction; therefore, it was too early to report to the Authority what the final figures would be; but felt confident that Phase II would be about \$4.3 million under budget. Mr. Gibson then stated that the project as a whole, would be about \$4.7 million under budget.

Mr. Carroll addressed the Authority stating that as Glen had pointed out earlier, the project was originally budgeted at \$4.8 million and currently, it was budgeted at \$7.4 million after receiving the bids. He gave the Authority a handout and stated hopefully, it would explain some of the reasons behind the overages. He also stated that since the project was originally started, it was constantly evolving. Mr. Carroll further stated that B&B knew they were designing a plant that could easily be expanded. He stated that



within the PER, they worked to expand the plant up to 1.6 m.g.d. He also stated that with the evolving project, some items were added after the budget was prepared during the design phase as follows:

- A new pump station at Exit 4, approximately \$200,000. He stated that B&B had originally planned to rehab and improve the pump station located on site; but after they looked at the work involved and the down time, they decided it was best to put in a new pump station beside the one on site.
- A potable water well at \$140,000. He stated that they had originally planned to use the wastewater plant effluent for any water supply at the plant and drill a small residential style well, which would be much less expensive, around \$8,000 - \$10,000 to supply the bathroom needs. Mr. Carroll further stated that in reviewing the future water supply needs in the Exit 4 area, it was decided to increase the well size to a Class 2B well that could be used for a community, at approximately \$100,000, with the piping and the size of the well.
- Increase in the effluent headwork size and added the bar screen bypass, approximately a \$90,000 increase. He stated that in their original budget, they had a static screen, which was more than suitable for Phase I, but it would have to be replaced and upgraded in future phases.
- The bulk chemical storage tank and containment, \$100,000. He stated that they intended to use totes for the initial phases but once they expanded the plant increasing the capacity, the bulk chemical tank would be needed. He also stated that with those two items, when preparing the plant for the future phases; a decision had to be made on what equipment to install now for full buildout or what equipment to install that was suitable for Phase I.
- Additional quantities of piping and earthwork in excess of the PER, approximately \$200,000.
- During the PER phase, B&B was not exactly sure of the size of the plant. He stated that once they started the design, they realized they needed to relocate the piping out around the perimeter, allowing room for expanded phases.
- Equipment cost increased by manufacturers, \$350,000.
- He also stated that some of those increases were due to narrowing down the scope and better specifying exactly what was needed and working with the operators in finding out exactly what they required.
- Market changes over the past two years, with contractors under contracts for other projects and the recent tariff taxes approximately \$1.5 million.

Mr. Carroll stated B&B reviewed the process used to determine the original estimated budget in the PER, by revisiting information obtained during the design period utilizing recent projects, as well as, those completed by B&B. He stated that upon completion of our analyzation of this information, we estimated the project should have bid for \$3.5 to \$4 million. He also stated that unfortunately, the bids came in much higher than estimated and the only reason they could contribute was the economy. He

further stated that in talking with contractors who bid on the project, they stated; they were just not as hungry for work as they were a few years ago.

Mr. Ferguson stated that the Authority had just installed two wells in Skippers. He stated that he would like to know if the wells could be used for this project. Mr. Carroll stated no, B&B had analyzed running piping to the plant, and it would have exceeded) \$140,000.

Chairman Bryant stated that it bothered him that the original estimate was around \$5,000,000. He stated that B&B missed the bid by half the amount. He stated that by missing the bid by over \$2,000,000, along with the alternate items being cut from the project if the Skippers interchange really expanded, the Authority would be borrowing money in less than 10 years. Chairman Bryant stated that he applauded B&B for what they had done on other projects, but the other projects stood alone.

Mr. Ferguson stated that he had a problem with the project being 1/3 over budget.

Mr. Carroll then pointed out some items that were not in the original PER but needed to be added for future expansion.

Chairman Bryant stated that if the Authority had to step up and cut items, what was B&B going to do for the Authority. Mr. Carroll then shared with the Authority items that were in the PER that had received significant discounts.

Mr. Cain stated that B&B had not given the Authority anything. He stated that the only way B&B could give the Authority anything was to have the budget decreased.

Mr. Ferguson recommended that the Authority review everything again and decide what to do. He stated that the Authority did not have \$2.6 million to add to the budget.

Mr. Ferguson moved, seconded by Mr. Conwell, to defer the item until the next meeting. Voting aye: Mr. Cain, Mr. Conwell, Mr. Ferguson and Chairman Bryant.

Mr. Clint Slate, 103 Beechtree Lane, requested to address the Authority. He stated that he wanted to comment in defense of Mr. Carroll. He also stated that he had never met Mr. Carroll before but felt for him. He further stated that the difference in what Mr. Carroll did versus what himself did for a living that Mr. Carroll brought to the Authority the prospect of what a contractor would charge for the project. Mr. Slate stated he was sure, based on information from past jobs, bid patterns and other contractors he had worked with, was the reason Mr. Carroll came in and presented to the Authority what was not expected. He stated that Mr. Carroll had fallen victim to other contractors that probably had other projects on going and they all most likely bid other jobs before this project. Mr. Slate stated that it sounded like Mr. Carroll had done his job, but was entangled with the busy times of the other contractors.



Supervisor Ferguson stated that he appreciated and understood Mr. Slate but the Authority still needed to go back and review the issue and figure out where to get the extra money.

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In Re: Miscellaneous Matters

Mrs. Parson stated that located in the Friday Memo were the Staff Meeting Minutes and Departmental Reports for the Authority's review and comments.

Chairman Bryant asked if there were any questions. There were none.

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Re: Adjournment

There being no further business to discuss, Mr. Ferguson moved, seconded by Mr. Conwell, to adjourn the meeting. Voting aye: Mr. Cain, Mr. Conwell, Mr. Ferguson and Chairman Bryant.

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Raymond L. Bryant, Chairman  
Greenville County Water and Sewer Authority

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ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 000110 \*\*WATER ASSETS\*\*

6/11/2019 FROM DATE- 6/17/2019  
89375 TO DATE- 6/17/2019  
FUND # - 001 \*\*OPERATING FUND-WATER\*\*

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE	DATE	\$\$\$ PAY \$\$\$
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<b>**WATER ASSETS**</b>					
TREASURER, GREENSVILLE CO	ACCOUNTS RECEIVABLE - WATER		DENETRIA AMPEY	6/03/2019	19.52
TREASURER, GREENSVILLE CO	ACCOUNTS RECEIVABLE - WATER		KARLA TAYLOR	6/03/2019	167.12
SHARITA WYCHE	ACCOUNTS RECEIVABLE - WATER		REFUND/5085	6/03/2019	33.71
JUSTIN CALHAUN	ACCOUNTS RECEIVABLE - WATER		REFUND/7644	6/03/2019	34.13
APRIL LAMBRIEN & TIFFANY P	ACCOUNTS RECEIVABLE - WATER		REFUND/8153	6/03/2019	14.72
LATYSA S. HARTISER	ACCOUNTS RECEIVABLE - WATER		REFUND/8274	6/03/2019	67.33
HALEY ANGELL	ACCOUNTS RECEIVABLE - WATER		REFUND/8411	6/03/2019	4.23
DEBORAH HUNNAD	ACCOUNTS RECEIVABLE - WATER		REFUND/8504	6/03/2019	67.33
WILLIAM WERN	ACCOUNTS RECEIVABLE - WATER		REFUND/8538	6/03/2019	10.21
LASHUNORA M. MILLER	ACCOUNTS RECEIVABLE - WATER		REFUND/8596	6/03/2019	19.49
SHARON S. NAYS	ACCOUNTS RECEIVABLE - WATER		REFUND/8599	6/03/2019	5.61
<b>TOTAL</b>					443.40 *
					443.40

DEPT # - 000200 \*\*LIABILITY\*\*

<b>**LIABILITY**</b>					
TOWN OF JOHNSON	TAXES ACCURED		U-TAX/5-2019	5/29/2019	383.40
CITY OF EMPORIA	TAXES ACCURED		U-TAX/5-2019	5/29/2019	124.01
TREASURER OF GREENSVILLE	TAXES ACCURED		U-TAX/5-2019	5/29/2019	8,382.73
<b>TOTAL</b>					8,890.14 *
					8,890.14

DEPT # - 010000 \*\*ADMINISTRATION-WATER\*\*

<b>**ADMINISTRATION-WATER**</b>					
SLAYTON & CLARY	PROF. SERVICES-LEGAL		13473	5/20/2019	54.00
PITNEY BOWES GLOBAL	MAINTENANCE CONTRACTS		3303848731	5/22/2019	54.00 *
VERZEN	TELECOMMUNICATIONS		348-4205/5-19	5/28/2019	11.88
TELFAGE	TELECOMMUNICATIONS		1389	6/01/2019	11.88 *
QUILL CORPORATION	OFFICE SUPPLIES		7735057	5/31/2019	75.38
SADLER BROTHERS OIL	VEHICLE SUPPLIES		3310737	5/31/2019	100.96
<b>TOTAL</b>					174.34 *
					24.94
					24.94 *
					8.50
					8.50 *
<b>TOTAL</b>					275.66

DEPT # - 011000 \*\*AUTHORITY BOARD-WATER\*\*

<b>**AUTHORITY BOARD-WATER**</b>					
TREASURER OF GREENSVILLE	OFFICE SUPPLIES		GALLERY/D CARDS	5/22/2019	46.04
RAYMOND L. BRYANT, JR.	OFFICE SUPPLIES		SMSCLUB/25668	5/30/2019	61.38
<b>TOTAL</b>					107.42 *
					107.42





ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 021000 \*\*WATER PURCHASE\*\*

FROM DATE- 6/17/2019  
TO DATE- 6/17/2019  
AP375  
FUND # - 001 \*\*OPERATING EXPENDITURES\*\*

INVOICE

DATE

INVOICE#

DESCRIPTION

CHANGE IN

VENDOR NAME

\$\$\$ PAY \$\$\$

DEPT # - 022000 \*\*WATER TREATMENT - JARRATT\*\*

\*\*WATER TREATMENT - JARRATT\*\*  
CONTRACTUAL SERVICES

876.49

5/31/2019

105245

LABELLA ASSOCIATES

876.49 \*

LABORATORY SERVICES

19.00

5/21/2019

1905082

JAMES R REED & ASSOC INC

19.00 \*

MAINTENANCE CONTRACTS

29.70

5/22/2019

3308840731

FAITHEY BOWES GLOBAL

29.70 \*

ELECTRICAL SERVICES

3,203.74

5/31/2019

3928872508/5-19

DOMINION ENERGY VIRGINIA

3,203.74

ELECTRICAL SERVICES

2,222.75

5/31/2019

588131157/5-19

DOMINION ENERGY VIRGINIA

2,222.75

ELECTRICAL SERVICES

2,995.71

5/31/2019

7878512891/5-19

DOMINION ENERGY VIRGINIA

2,995.71

TELECOMMUNICATIONS

8,422.20 \*

5/23/2019

9830782059

VERIZON WIRELESS

8,422.20 \*

UNIFORM RENTAL

102.60

5/23/2019

4021287603

CINTAS CORPORATION #143

102.60 \*

UNIFORM RENTAL

45.96

5/13/2019

4021749520

CINTAS CORPORATION #143

45.96

UNIFORM RENTAL

45.96

5/20/2019

4022224724

CINTAS CORPORATION #143

45.96

UNIFORM RENTAL

45.96

5/28/2019

4022720358

CINTAS CORPORATION #143

45.96

UNIFORM RENTAL

229.80 \*

6/03/2019

4023085785

CINTAS CORPORATION #143

229.80 \*

LAB SUPPLIES

522.37

5/24/2019

11482551

HACH COMPANY

522.37 \*

REPAIR & MAINTENANCE SUPPLIES

21.98

5/02/2019

1905-009185

JARRATT HARDWARE

21.98

REPAIR & MAINTENANCE SUPPLIES

23.92

5/02/2019

1905-009216

JARRATT HARDWARE

23.92

REPAIR & MAINTENANCE SUPPLIES

13.99

5/06/2019

1905-009579

JARRATT HARDWARE

13.99

REPAIR & MAINTENANCE SUPPLIES

37.47

5/14/2019

1905-010523

JARRATT HARDWARE

37.47

REPAIR & MAINTENANCE SUPPLIES

11.48

5/15/2019

1905-010651

JARRATT HARDWARE

11.48

REPAIR & MAINTENANCE SUPPLIES

3.49

5/16/2019

1905-010800

JARRATT HARDWARE

3.49

REPAIR & MAINTENANCE SUPPLIES

341.71

5/21/2019

1905-011393

JARRATT HARDWARE

341.71

REPAIR & MAINTENANCE SUPPLIES

55.02

5/21/2019

1905-011428

JARRATT HARDWARE

55.02

REPAIR & MAINTENANCE SUPPLIES

31.55

5/22/2019

1905-011500

JARRATT HARDWARE

31.55

REPAIR & MAINTENANCE SUPPLIES

5.96

5/22/2019

1905-011513

JARRATT HARDWARE

5.96

REPAIR & MAINTENANCE SUPPLIES

5.49

5/24/2019

1905-011745

JARRATT HARDWARE

5.49

REPAIR & MAINTENANCE SUPPLIES

3.99

5/24/2019

1905-011758

JARRATT HARDWARE

3.99

REPAIR & MAINTENANCE SUPPLIES

5.74

5/24/2019

1905-011770

JARRATT HARDWARE

5.74

REPAIR & MAINTENANCE SUPPLIES

17.32

5/28/2019

1905-012020

JARRATT HARDWARE

17.32

REPAIR & MAINTENANCE SUPPLIES

8.26

5/29/2019

1905-012195

JARRATT HARDWARE

8.26

REPAIR & MAINTENANCE SUPPLIES

185.03

5/24/2019

93379

SHARE CORPORATION

185.03

REPAIR & MAINTENANCE SUPPLIES

422.83

5/17/2019

909183

LOWES BUSINESS ACCOUNT

422.83

REPAIR & MAINTENANCE SUPPLIES

187.35

5/13/2019

913311 5-13-19

LOWES BUSINESS ACCOUNT

187.35

REPAIR & MAINTENANCE SUPPLIES

1,312.58 \*

5/31/2019

3310741

SADLER BROTHERS OIL

1,312.58 \*

VEHICLE SUPPLIES

140.17

5/31/2019

3310741

SADLER BROTHERS OIL

140.17 \*

CHEMICALS

619.20

5/28/2019

INV-02407

CENTRAL EQUIPMENT CO, INC

619.20

CHEMICALS

1,445.80

5/30/2019

6266480-INV

WATER GUARD, INC

1,445.80

2,065.08 \*

TOTAL

13,719.91

ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 022000 \*\*WATER TREATMENT - JARWAT\*\*

6/11/2019 FROM DATE- 6/17/2019  
0F375 TO DATE- 6/17/2019  
FUND # - 001 \*\*OPERATING EXPENDITURES\*\*

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	INVOICE DATE	\$\$\$ PAY \$\$\$
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DEPT # - 023000 \*\*SKIPPERS WELL SYSTEM\*\*

DOMINION ENERGY VIRGINIA HAWKINS INC	**SKIPPERS WELL SYSTEM** ELECTRICAL SERVICES CHEMICALS	4490210053/6-19	6/03/2019	88.82 *
		4501802	5/21/2019	346.40 *
		TOTAL		435.22

DEPT # - 024000 \*\*JACKSON FIELD HOME WATER SYSTEM\*\*

DOMINION ENERGY VIRGINIA ELECTRICAL SERVICES	**JACKSON FIELD HOME WATER SYSTEM** ELECTRICAL SERVICES	394085005/5-19	5/28/2019	65.91 *
		TOTAL		65.91 *
		FUND TOTAL		31,311.96

ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY HAYER  
DEPT # - 010100 \*\*ADMINISTRATION-SEWER\*\*

6/11/2019 FROM DATE- 6/17/2019  
BP375 TO DATE- 6/17/2019  
FUND # - 002

VENDOR NAME	CHANGE TO	DESCRIPTION	INVOICE#	DATE	INVOICE	\$\$\$ PAY \$\$\$
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DEPT # - 010100 **ADMINISTRATION-SEWER**						
**ADMINISTRATION-SEWER**						
PITNEY BOWES GLOBAL		MAINTENANCE CONTRACTS	3388840731	5/22/2019		17.82
						17.82 *
VERIZON		TELECOMMUNICATIONS	348-4285/5-19	5/28/2019		113.06
TELEPAGE		TELECOMMUNICATIONS	1389	6/01/2019		151.44
						264.50 *
QUILL CORPORATION		OFFICE SUPPLIES	7735057	5/31/2019		37.42
						37.42 *
SABLER BROTHERS OIL		VEHICLE SUPPLIES	3310737	5/31/2019		12.75
						12.75 *
TOTAL						332.49

DEPT # - 011100 **AUTHORITY BOARD-SEWER**						
**AUTHORITY BOARD-SEWER**						
TREASURER OF GREENSVILLE		OFFICE SUPPLIES	GALLERY/B. CARDS	5/22/2019		69.06
RAYMOND L. BRYANT, JR.		OFFICE SUPPLIES	SANGLUB/25668	5/30/2019		92.06
						161.12 *
TOTAL						161.12

DEPT # - 020100 **UTILITY MAINTENANCE-SEWER**						
**UTILITY MAINTENANCE-SEWER**						
VIRGINIA UTILITY		CONTRACTUAL SVCS:MISS UTILITY	05190233	5/31/2019		64.89
						64.89 *
HEWLETT RIVER		CONTRACTUAL SERVICE:CHASS CUTT	212	5/31/2019		2,205.00
						2,205.00 *
PITNEY BOWES GLOBAL		MAINTENANCE CONTRACTS	3303840731	5/22/2019		17.82
						17.82 *
HECKLEBURG ELECTRIC COOPE		ELECTRICAL SERVICES	288160600/6-19	6/04/2019		106.48
HECKLEBURG ELECTRIC COOPE		ELECTRICAL SERVICES	2883108100/6-19	6/04/2019		88.47
HECKLEBURG ELECTRIC COOPE		ELECTRICAL SERVICES	2884102100/6-19	6/04/2019		94.73
HECKLEBURG ELECTRIC COOPE		ELECTRICAL SERVICES	2884200700/6-19	6/04/2019		84.72
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	4394600400/6-19	6/04/2019		375.00
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	1250878001/5-19	5/31/2019		58.69
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	144743352/5-19	5/29/2019		12.68
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	1072052103/5-19	5/31/2019		319.58
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	2250897507/5-19	5/29/2019		16.44
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	3880912500/5-19	5/31/2019		85.33
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	4200342501/6-19	6/03/2019		9.32
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	4917433379/5-19	5/31/2019		13.64
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	5481667508/6-19	6/03/2019		29.17
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	5611825000/6-19	6/03/2019		41.88
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	5913123120/5-19	5/31/2019		453.72
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	6960860002/5-19	5/31/2019		15.39



ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 020100 \*UTILITY MAINTENANCE-SERVE\*\*

6/11/2019 FROM DATE- 6/17/2019  
8P375 TO DATE- 6/17/2019  
FUND # - 002

CHARGE TO	DESCRIPTION	INVOICE#	DATE	\$\$\$ PAY \$\$\$
DEPARTMENT ENERGY VIRGINIA	ELECTRICAL SERVICES	7061950312/5-19	5/31/2019	836.09
VERIZON	TELECOMMUNICATIONS	348-4276/5-19	5/28/2019	2,639.41 *
VERIZON	TELECOMMUNICATIONS	634-6731/5-19	6/04/2019	25.32
VERIZON	TELECOMMUNICATIONS	634-9667/5-19	6/01/2019	24.95
VERIZON WIRELESS	TELECOMMUNICATIONS	9830782059	5/23/2019	24.95
				123.15
				198.37 *
CINTAS CORPORATION #143	UNIFORM RENTAL	4021174733	5/02/2019	29.40
CINTAS CORPORATION #143	UNIFORM RENTAL	4021615752	5/09/2019	29.40
CINTAS CORPORATION #143	UNIFORM RENTAL	4022048441	5/16/2019	29.40
CINTAS CORPORATION #143	UNIFORM RENTAL	4022495080	5/23/2019	29.40
CINTAS CORPORATION #143	UNIFORM RENTAL	4023019835	5/31/2019	29.40
				147.00 *
QUILL CORPORATION	OFFICE SUPPLIES	7735057	5/31/2019	12.07
				12.07 *
EMPORIA HARDWARE CO., INC	REPAIR & MAINTENANCE SUPPLIES	10729	5/21/2019	15.42
JARRATT HARDWARE	REPAIR & MAINTENANCE SUPPLIES	1905-011702	5/24/2019	21.98
JARRATT HARDWARE	REPAIR & MAINTENANCE SUPPLIES	1905-012001	5/28/2019	4.49
JARRATT HARDWARE	REPAIR & MAINTENANCE SUPPLIES	1905-012133	5/23/2019	17.56
JARRATT HARDWARE	REPAIR & MAINTENANCE SUPPLIES	1905-012139	5/28/2019	5.95
JARRATT HARDWARE	REPAIR & MAINTENANCE SUPPLIES	1905-012382	5/31/2019	47.69
CITY AUTO HARDWARE	REPAIR & MAINTENANCE SUPPLIES	422543	5/16/2019	16.68
CITY AUTO HARDWARE	REPAIR & MAINTENANCE SUPPLIES	423201	5/23/2019	22.93
CITY AUTO HARDWARE	REPAIR & MAINTENANCE SUPPLIES	423645	5/29/2019	12.72
CITY AUTO HARDWARE	REPAIR & MAINTENANCE SUPPLIES	423672	5/29/2019	24.30
				189.72 *
SADLER BROTHERS BIL	VEHICLE SUPPLIES	3310739	5/31/2019	83.85
SADLER BROTHERS BIL	VEHICLE SUPPLIES	3310742	5/31/2019	508.99
B'REILLY AUTO PARTS	VEHICLE SUPPLIES	2269-200422	5/03/2019	9.48
				802.32 *
ESQUA WATER TECHNOLOGIES	CHEMICALS	904014124	5/22/2019	7,451.97
				7,451.97 *
JARRATT HARDWARE	POWER EQUIPMENT SUPPLIES	1905-009593	5/06/2019	26.69
FARM & LAWN SERVICE	POWER EQUIPMENT SUPPLIES	01-5812	5/15/2019	29.70
				56.39 *
SADLER BROTHERS BIL	HEAVY EQUIPMENT SUPPLIES	3310742	5/31/2019	24.70
				24.70 *
	TOTAL			13,609.66

DEPT # - 031000 \*\*FALLING RUN SEWAGE TREAT. PLANT\*\*

JAMES R REED & ASSOC INC	**FALLING RUN SEWAGE TREAT. PLANT**	1905155	5/31/2019	283.00
	LABORATORY SERVICES			283.00 *
PHYNEY BONES GLOBAL	MAINTENANCE CONTRACTS	3308040731	5/22/2019	29.70
				29.70 *
MECKLENBURG ELECTRIC COOPERATIVE	ELECTRICAL SERVICES	3309301802/6-19	6/04/2019	2,202.54
				2,202.54 *



ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 032000 \*\*THREE CREEK SEWAGE TREAT. PLANT\*\*

6/11/2019 FROM DATE- 6/17/2019  
AP375 TO DATE- 6/17/2019  
FUND # - 002

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	INVOICE DATE	\$\$\$ PAY \$\$\$
TELETYPE INSTRUMENTS INC		REPAIR & MAINTENANCE SUPPLIES	3020328905	5/23/2019	177.34
SAMPLER BROTHERS OIL		VEHICLE SUPPLIES	3310740	5/31/2019	386.47 *
SARRISEN MINERALS		CHEMICALS	2019-0426	5/13/2019	350.15
SLUDGE PROCESS ENHANCEMENT		CHEMICALS	2191005-6CA	5/29/2019	350.15 *
B & N TRUCK REPAIRS LLC		HEAVY EQUIPMENT SUPPLIES	243185	5/22/2019	6,368.04
					3,611.00
					9,979.04 *
					49.50
					49.50 *
					13,564.56
				TOTAL	

DEPT # - 033000 \*\*SEWAGE SERVICES\*\*

CITY OF EMPORIA		**SEWAGE SERVICES**			
		CONTRACTUAL SERVICES-EMPORIA			
CITY OF EMPORIA		CONTRACT SVCS FOR DEP-EMPORIA	CUE/ACCT 1/0419	5/31/2019	237.90
					237.90 *
			86122/5-2019	5/31/2019	11,816.74
					11,816.74 *
					12,054.64
				TOTAL	

DEPT # - 034000 \*\*JARRATT SEWAGE TREAT. PLANT\*\*

JAMES R REED & ASSOC INC		**JARRATT SEWAGE TREAT. PLANT**			
		LABORATORY SERVICES	1905152	5/31/2019	362.00
					362.00 *
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	3008835003/5-19	5/31/2019	1,227.24
					1,227.24 *
USA BLUEBOOK		LAB SUPPLIES	909196	5/29/2019	460.00
					460.00 *
TELETYPE INSTRUMENTS INC		REPAIR & MAINTENANCE SUPPLIES	3020328905	5/23/2019	177.33
					177.33 *
WATER GUARD, INC		CHEMICALS	0266148-IN	5/22/2019	246.65
MARYLAND BIOCHEMICAL CORP		CHEMICALS	5NN1149	5/30/2019	2,192.99
MARYLAND BIOCHEMICAL CORP		CHEMICALS	5NN1149	5/30/2019	2,192.99
					4,532.63 *
					6,859.20
				TOTAL	

DEPT # - 035000 \*\*SKIPPER'S SEWAGE TREAT. PLANT\*\*

JAMES R REED & ASSOC INC		**SKIPPER'S SEWAGE TREAT. PLANT**			
		LABORATORY SERVICES	1905154	5/31/2019	84.00
					84.00 *
USA BLUEBOOK		LAB SUPPLIES	909196	5/29/2019	460.00
					460.00 *
SLUDGE PROCESS ENHANCEMENT		CHEMICALS	2191005-6CA	5/29/2019	1,128.60
					1,128.60 *
					1,672.60
				TOTAL	

6/11/2019  
 87375  
 FUND # - 002

FROM DATE- 6/17/2019  
 TO DATE- 6/17/2019  
 DEPT # - 035000 \*\*SKIPPER'S SEWAGE TREAT. PLANT\*\*

VENDOR NAME CHARGE TO INVOICE DATE \$ PAY \$

DEPT # - 061100 \*\*CAPITAL PROJECTS - SEWER\*\*  
 264013 / 1122 4/19/2019 810.00  
 SENTRY LOCKE ATTORNEYS SKIPPER'S RD PUMP STATION #3 RE 68,589.00  
 H R PHILLINGAME & SON LLC SKIPPER'S RD PUMP STATION #3 RE 69,399.00 \*  
 TOTAL 69,399.00

DEPT # - 061102 \*\*SKIPPER'S WHP\*\*  
 18586 5/16/2019 2,532.50  
 RANDOLPH, BOYD, CHERRY AND ATTORNEY FEES & APPRAISALS 2,532.50 \*  
 TOTAL 2,532.50

DEPT # - 061104 \*\*MCMC OFF-SITE WASTEWATER SYS\*\*  
 18589 5/17/2019 357.50  
 RANDOLPH, BOYD, CHERRY AND EASEMENT PURCHASE FOR SEWER 357.50 \*  
 TOTAL 357.50  
 FUND TOTAL 131,134.58  
 TOTAL DUE 162,446.54

Approved  
 Signed Quinn Whiting Title Finance Manager Date 6/11/19

ACCOUNTS PAYABLE CHECKS  
GREENSVILLE COUNTY WATER

FROM DATE- 6/17/2019  
TH DATE- 6/17/2019

6/11/2019

FUND NO.	DESCRIPTION	\$#	PAY \$#
001	***OPERATING EXPENDITURES***	531,311.96	
002		531,134.53	
	TOTAL	1,062,446.54	



ACCOUNTS PAYABLE LIST  
 GREENSVILLE COUNTY WATER  
 DEPT # - 021000 \*\*WATER PURCHASE\*\*

6/11/2019 FROM DATE- 6/12/2019  
 87375 TO DATE- 6/12/2019  
 FUND # - 601 \*\*SUSPENDING EXPENDITURES\*\*

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE	INVOICE DATE	INVOICE FOR	CHECK DATE	\$\$\$ PAY \$\$\$
DEPT # - 021000 **WATER PURCHASE**							
***WATER PURCHASE**							
NORTHAMPTON COUNTY PUBLIC WATER PURCHASE: NORTHAMPTON NORTHAMPTON COUNTY PUBLIC WATER PURCHASE: NORTHAMPTON			21006227/6-2019	5/31/2019		6/12/2019	1,971.50
			43006598/6-2019	5/31/2019		6/12/2019	27.20
							1,998.70 *
			TOTAL				1,998.70
			FUND TOTAL				1,998.70

6/11/2019 5:25 PM 209 - 3 QRS

FROM DATE- 6/12/2019  
TO DATE- 6/12/2019

ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
SEPT # - 03000 WASTEWAGE SERVICES

2333

VENDOR NAME \_\_\_\_\_

CHARGE TO

DESCRIPTION

RETTING

TRUSTEE	DATE	FILE	1970-1971	1972-1973

DATE \_\_\_\_\_  
CHECK \_\_\_\_\_

外	1
内	1
外	1
内	1
外	1
内	1
外	1
内	1

DEPT 4 - 0300 MESSAGE SERVICES\*\*

\*\*\*\*\*  
NORTHAMPTON COUNTY PUBLIC CONTRACTUAL SERVICES-R101  
\*\*\*\*\*

2100622716-2019 5/31/2019

6/12/2019

%		
69	69	69
47	47	47
34	34	34
23	23	23
11	11	11

141

75101 QM03  
FUND TOTAL

1,234.50

TOTAL DUE

5,933.20

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Signed \_\_\_\_\_  
\_\_\_\_\_  
Official of Department of Education

Finance Manager

6/11/19  
Date

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ACCOUNTS PAYABLE CHECKS  
GREENSBURG COUNTY WATER

FROM DATE- 6/12/2019  
TO DATE- 6/12/2019

6/11/2019

FUND NO. DESCRIPTION  
-----

001  
002

\*\*\*\*\*OPERATING EXPENDITURES\*\*\*\*  
\$1,933.70  
\$1,934.50  
3,933.20  
TOTAL

001  
002

ACCOUNTS PAYABLE LIST  
GREENSBORO COUNTY NATION  
DEPT # - 070000 \*\*ADMINISTRATION-PH II INTEREST\*\*

6/11/2019 FROM DATE- 6/20/2019  
AP375 TO DATE- 6/20/2019  
FUND # - 001 \*\*SUPERGRATING EXPENDITURES\*\*

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE DATE	INVOICE FOR	CHECK DATE	\$\$\$ PAY \$\$\$
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DEPT # - 070000 \*\*ADMINISTRATION-PH II INTEREST\*\*

CHSANK  
\*\*ADMINISTRATION-PH II INTEREST\*\*  
INTEREST ON PHASE II

00101411/5-2019 5/31/2019 6/20/2019  
8,901.02  
8,901.02  
8,901.02

TOTAL

FUND TOTAL

TOTAL DUE

Approved

Signed Debra Whitley

Title Finance Manager

Date 6/11/19

ACCOUNTS PAYABLE CHECKS  
GREENSVILLE COUNTY WATER

FROM DATE- 6/28/2019  
TH DATE- 6/20/2019

6/11/2019

\$\$\$ PAY \$\$\$

FUND NO. DESCRIPTION

001 \*\*\*OPERATING EXPENDITURES\*\*\*  
TOTAL

001 \*\*\*OPERATING EXPENDITURES\*\*\*  
TOTAL

001

ACCOUNTS PAYABLE LIST  
GREENSVILLE CO HAS AUTH  
DEPT # - 077000 \*\*RESERVOIR/INTER.PUMP STATION\*\*

FROM DATE- 6/17/2019  
TO DATE- 6/17/2019  
FUND # - 001 \*\*\*EXPENDITURES\*\*\*

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	INVOICE DATE	CHECK DATE	\$\$\$ PAY \$\$\$
SUNIS CONTRACTING INC	**RESERVOIR/INTER.PUMP STATION*	CONSTRUCTION	CONTRACT 6/217	5/30/2019	6/17/2019	728,429.45
						728,429.45 *
					TOTAL	728,429.45
					FUND TOTAL	728,429.45
		TOTAL DUE			728,429.45	

DEPT # - 077000 \*\*RESERVOIR/INTER.PUMP STATION\*\*

SUNIS CONTRACTING INC  
\*\*RESERVOIR/INTER.PUMP STATION\*

Approved

Signed Alex Whitty

Finance Manager  
Title

6/11/19  
Date

6/11/2019

FROM DATE- 6/17/2019  
TO DATE- 6/17/2019

ACCOUNTS PAYABLE CHECKS  
GREENSVILLE CO HAS AUTH

FUND NO.	DESCRIPTION	DEBIT	CREDIT	BALANCE
001	*****REVENUE*****			
	TOTAL	5728,429.45	728,429.45	

## RESOLUTION WS #19-38

### APPROVAL OF THE SKIPPERS WASTEWATER TREATMENT PLANT PROJECT

**WHEREAS**, on Monday, June 3, 2019, the Staff presented a revised budget for the proposed Skippers Wastewater Treatment Plant (SWWTP) based on bids received;

**WHEREAS**, the proposed project budget is as follows:

#### Skippers Wastewater Treatment Plant Project

Classification	Expenditure
Admin & legal expenses	\$ 26,000.00
Land, structures, rights-of-way, appraisals, etc.	\$ 428,144.00
Architectural and engineering fees	\$ 290,186.00
Other architectural and engineering fees	\$ 80,000.00
Project inspection fees	\$ 165,000.00
Electric Service to Site	\$ 25,000.00
Construction	\$ 6,100,419.20
Permits	\$ 34,500.00
Contingencies	\$ 305,020.00
Local Cost of Issuance	\$ 25,000.00
<b>Total</b>	<b>\$ 7,479,269.20</b>

**WHEREAS**, the estimated loan amount is: \$7,150,270. In the project budget, \$328,999 was spent on property acquisition and does not need to be financed. The expenditure is not included in the estimated loan amount. The new annual debt service and rate covenant is **\$453,063**

**WHEREAS**, the Staff is proposing to pay for the construction of the new Skippers WWTP in the following manner:

- 1. Retirement of existing debt service.** Staff recommends applying the funds associated with paying off VRA Bond 2013C in FY2019, to the proposed new debt service in the amount of **\$269,423**.
- 2. Revenue support by the Board of Supervisors for Economic Development.** The Board of Supervisors previously approved paying up to 88% of the new debt service, associated with the Skippers WWTP, not to exceed \$225,000 annually, for the County's 88,000 gallon per day economic development reserve allocation. Staff is recommending a request be made of the Board of Supervisors to fund 80% of new debt in the amount of **\$146,912**. This amount is \$78,088 less than the \$225,000 the Board previously committed to fund.



3. **GCWSA sewer rate increase of 1.4%.** Staff is recommending paying for the remaining \$36,728 by raising the sewer rates 1.4% in FY2020;

**WHEREAS,** the revenue raised by the implementation of these three measures totals \$453,063, which is the amount needed to pay the debt service on the new SWWTP.

**WHEREAS,** the Authority received six bids for the proposed Treatment Plant Contract on April 30, 2019. The low bidder was Haren Construction, in the amount of \$5,633,000. The bid contained six alternated deduct items. Staff is recommending the Authority exercise all six alternate deducts and award the treatment plant contract to Haren Construction Company, in the amount of \$5,143,200.

**WHEREAS,** the Authority received six bids for the proposed Force Main Contract on April 24, 2019. The low bidder was Ralph Hodge Construction. The contractors bid is going to expire on June 24, 2019.

**WHEREAS,** Staff has informed the contractor the proposed funding will not be available until after their contract is scheduled to expire.

**WHEREAS,** the Authority's Attorney developed an agreement that extends Ralph Hodge Construction's Force Main bid through August 7, 2019. The contractor has signed the attached proposed agreement.

**NOW, THEREFORE, BE IT RESOLVED, THAT THE AUTHORITY:**

1. Approves the revised budget of \$7,479,269;
2. Approves the financing of \$7,150,270 by the Virginia Resources Authority;
3. Approves the proposed plan to pay for the new Skippers Wastewater Treatment Plant;
4. Awards the Wastewater Treatment Plant Contract, in the amount of \$5,143,200 to Haren Construction Company;
5. Authorizes the Authority's Director to execute the bid extension agreement.

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Raymond L. Bryant, Jr., Chairman  
Greenville County Water & Sewer Authority

ATTEST:

---

Denise A. Banks, Clerk  
Greenville County Board of Supervisors

Adopted this 17<sup>th</sup> day of June, 2019

THIS AGREEMENT is made and entered into this 7<sup>th</sup> day of June, 2019, by and between GREENSVILLE COUNTY WATER AND SEWER AUTHORITY ("GCWSA") and RALPH HODGE CONSTRUCTION COMPANY ("Contractor").

RECITALS:

- R-1 Contingent on its receipt of loan funds to be expended for the Skippers Wastewater Treatment Plant Force Main/Pump Station Project ("Project"), GCWSA proposes to accept the bid submitted by Contractor for the Project.
- R-2 Contractor's bid provided that it would remain "open", and could be accepted by GCWSA, to June 23, 2019 ("Bid Expiration Date").
- R-3 GCWSA has advised Contractor that its funding will not be finalized prior to the Bid Expiration Date.
- R-4 GCWSA has requested that Contractor extend the Bid Expiration Date from June 23, 2019, to August 7, 2019.
- R-6 Contractor has determined that preserving the potential to realize the contract benefits which will accrue to it under the proposed contract constitute good and valuable consideration for it to grant the extension of the Bid Expiration Date requested by GCWSA, and accordingly, by execution of this Agreement, Contractor extends the Bid Expiration Date from June 23, 2019, to August 7, 2019, and acknowledges the aforesaid consideration for its granting such an extension.

ACCORDINGLY, Contractor hereby extends the Bid Expiration Date from June 23, 2019, to August 7, 2019, and acknowledges that it has received full and fair consideration for the granting of such extension.

IN WITNESS WHEREOF, this Agreement is executed on behalf of GCWSA and Contractor by the duly authorized officer, agent, or representative of each.


DATE: \_\_\_\_\_

GREENSVILLE COUNTY WATER AND  
SEWER AUTHORITY

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

DATE: 6/10/19

RALPH HODGE CONSTRUCTION COMPANY

By:   
Printed Name: Ryan Walser  
Title: Vice President



**RESOLUTION #19-13**

**RE: MORAL OBLIGATION TO PURCHASE WASTEWATER TREATMENT  
CAPACITY IN THE NEW SKIPPERS WASTEWATER TREATMENT PLANT FROM  
GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**

**RECITALS:**

- R-1** GCWSA is constructing a new Skippers Wastewater Treatment Plant ("New Facility") on a 95.27 acres site identified on the Greenville County Tax Maps as Parcel 44-81.
- R-2** The estimated cost of the New Facility is \$4,835,297.00.
- R-3** GCWSA is securing funding for the New Facility through USDA, Rural Development ("RD"), and its anticipated annual debt service payment on the RD loan ("Loan") will be \$253,882.00 for thirty-eight (38) years (\$4,835,297.00 estimated loan principal; 3.25% estimated annual interest; 38-year estimated amortization in 38 equal annual installments).
- R-4** The design treatment capacity for the New Facility is 100,000 gpd.
- R-5** Greenville County ("County") determined a need for wastewater treatment capacity in the amount of 88,000 gpd ("Reserve Allocation") for use in connection with County's economic development activities.
- R-6** County and GCWSA have negotiated an agreement by which County will make an annual payment to GCWSA in an amount equal to 88% of the annual debt service payment due from GCWSA to RD for the Loan as consideration for County's Reserve Allocation.
- R-7** The first annual payment from County to GCWSA will be due in the first Fiscal Year when a debt service payment is due from GCWSA to RD for the Loan, and will thereafter be due in each year when a debt service payment is due from GCWSA to RD for the Loan.
- R-8** All future annual payments from County to GCWSA will be subject to an annual appropriation by the County Board of Supervisors ("Board").
- R-9** For so long as GCWSA is indebted to RD for the Loan, an annual appropriation of, and payment to, GCWSA of an amount equal to 88% of the annual debt service payment due from GCWSA to RD for the Loan will guarantee County the annual use of its Reserve Allocation.
- R-10** Once the Loan has been paid in full to RD, no further payments will be required to GCWSA from County for its Reserve Allocation, but because at that time County will have paid 88% of the debt service payments due from GCWSA to RD for the Loan, GCWSA will thereafter reserve, for use by County, the Reserve Allocation.

**IT IS, ACCORDINGLY, HEREBY RESOLVED** that the Board hereby expresses its moral obligation, which does not constitute a binding legal obligation, to appropriate annually 88% of the debt service payments due from GCWSA to RD once the Loan repayment terms are finalized.

**IT IS FURTHER RESOLVED** that the Board hereby evidences its moral obligation to make the number of such annual appropriations which is equal to the number of years for which annual debt service payments will be due from GCWSA to RD on the Loan, the number of which annual debt service payments is currently estimated to be thirty-eight (38).

**IT IS FURTHER RESOLVED** that each of the Board's anticipated thirty-eight (38) annual appropriations will be conditioned on GCWSA's setting aside and allocating for use by County in its economic development activities 88,000 gpd of wastewater treatment capacity in the New Facility, which capacity will be reserved and allocated to County for each Fiscal Year in which County appropriates, and pays to, GCWSA an amount equal to 88% of the debt service payment due from GCWSA to RD for the Loan, which annual appropriations shall commence in the first Fiscal Year when a debt service payment is due from GCWSA to RD for the Loan.

**ADOPTED** this 16<sup>th</sup> day of July, 2018.

VOTING AYE	VOTING NAY	ABSENT/ABSTAIN
<u>Supervisor Bryant</u>	_____	_____
<u>Supervisor Jordan</u>	_____	_____
<u>Supervisor Wiley</u>	_____	_____
<u>Chairman Ferguson</u>	_____	_____

The undersigned hereby certifies that the foregoing is an accurate account of the vote taken at a duly convened meeting of the Board of Supervisors of Greenville County, Virginia, on the 16<sup>th</sup> day of July, 2018, at which a quorum was present at the time the meeting was convened and at the time said vote was taken.

Denise A. Banks  
Clerk



**RESOLUTION WS #19-40****RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND AWARD OF A WATER AND SEWER SYSTEM REVENUE BOND, SERIES 2019A, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,650,000 OF GREENSVILLE COUNTY WATER AND SEWER AUTHORITY AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF**

**WHEREAS**, the Greenville County Water and Sewer Authority (the "Authority") is a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) (the "Act") by the Board of Supervisors of Greenville County, Virginia (the "County"), and presently owns, operates and maintains water and sewer facilities to provide for the water and sewer needs of the residents and businesses of the County; and

**WHEREAS**, the Board of the Authority (the "Authority Board") desires to finance the construction of a new Wastewater Treatment Plant near Skippers, Virginia (the "Project"); and

**WHEREAS**, it is in the best interests of the Authority and the residents of its service areas to issue its water and sewer system revenue bond (the "2019A Bond") to be secured by a pledge of the revenues of the Authority's water and sewer system (the "System") in a maximum principal amount not to exceed \$7,650,000 to finance (a) all or a portion of the Project and (b) the costs of issuing the 2019A Bond including the funding of any capitalized interest and required reserves, if any; and

**WHEREAS**, subject to final credit approval, the Virginia Resources Authority ("VRA") has indicated its willingness to purchase the 2019A Bond from the proceeds of its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2019B (the "VRA Bonds") and to provide a portion of the proceeds thereof to the Authority to finance all or a portion of the Project, fund any capitalized interest and required reserves, if applicable, in connection with the 2019A Bond and pay certain costs of issuance of the 2019A Bond, in accordance with the terms of a Local Bond Sale and Financing Agreement to be dated a date specified by VRA, between VRA and the Authority (the "Financing Agreement"), the form of which has been presented to this meeting; and

**WHEREAS**, the Authority has indicated that the amount of proceeds being requested from VRA for the Project and other costs is \$7,150,270 (the "Proceeds Requested") plus amounts necessary to pay any capitalized interest and required reserves, if applicable, and the costs of issuance, or such other amount requested by the Authority in writing and approved by VRA prior to the pricing of the VRA Bonds, provided such sum does not exceed the maximum principal amount of the 2019A Bond authorized pursuant to this Resolution; and

**WHEREAS**, VRA has advised the Authority that VRA's objective is to pay the



Authority as the purchase price for the 2019A Bond an amount which, in VRA's judgment, reflects the market value of the 2019A Bond (the "Purchase Price Objective"), taking into consideration such factors as the maximum authorized par amount of the 2019A Bond, the Proceeds Requested, the purchase price to be received by VRA for the VRA Bonds, the issuance costs of the VRA Bonds (consisting of the underwriters' discount and other costs incurred by VRA (collectively, the "VRA Costs")) and other market conditions relating to the sale of the VRA Bonds; and

**WHEREAS**, such factors may result in the Authority receiving an amount other than the Proceeds Requested and consequently (i) the principal amount of the 2019A Bond may be greater than the Proceeds Requested in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, or (ii) if the maximum authorized aggregate amount of the 2019A Bond set forth in paragraph 3 of this Resolution does not exceed the Proceeds Requested by at least the amount of the VRA Costs and any original issue discount, the amount to be paid to the Authority, given the VRA Purchase Price Objective and market conditions, will be less than the Proceeds Requested; and

**WHEREAS**, the Authority Board has requested the County to facilitate the issuance and sale of the 2019A Bond by entering into a Support Agreement to be dated a date specified by VRA, among the Authority, the County and VRA (the "Support Agreement"), the form of which has been presented to this meeting; and

**NOW, THEREFORE, BE IT RESOLVED BY THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY:**

**1. Authorization of Bond and Use of Proceeds.** Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Act, the Authority Board authorizes the issuance and sale to VRA of the 2019A Bond of the Authority to finance all or a portion of the Project, fund any capitalized interest, as and to the extent the Director of the Authority (the "Director") deems advisable, and required reserves, if any, in connection with the 2019A Bond and pay issuance and financing costs incurred in issuing the 2019A Bond. The 2019A Bond shall be delivered to or upon the order of VRA upon VRA's payment of the purchase price therefor.

**2. Authorization of Financing Agreement and Support Agreement.** The forms of the Financing Agreement and the Support Agreement submitted to this meeting are approved. The Chairman, Vice Chairman and Director of the Authority, any of whom may act, are authorized to execute the Financing Agreement and the Support Agreement in substantially such forms, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Chairman, Vice Chairman and/or Director, whose approval shall be evidenced conclusively by the execution and delivery thereof. The issuance and sale of the Authority's 2019A Bond to VRA shall be upon the terms and conditions of the Financing Agreement and any related tax documents. The proceeds of the 2019A Bond shall be applied in the manner set forth in the Financing Agreement. All capitalized terms used but not otherwise defined herein shall have the same meaning as set forth in the Financing Agreement.



**3. Bond Details.** The 2019A Bond shall be issued as a single, registered bond and shall be designated "Water and Sewer System Revenue Bond, Series 2019A", shall be numbered R-1, shall be in a principal amount not to exceed \$7,650,000 and shall mature no later than December 31, 2049. The Authority authorizes the issuance and sale of the 2019A Bond at a "true" interest cost not to exceed 5.0% whether issued on a taxable or "tax advantaged" basis (exclusive of "Supplemental Interest" as provided in the Financing Agreement). Given the VRA Purchase Price Objective and market conditions, it may become necessary to issue the 2019A Bond in an aggregate amount greater than the Proceeds Requested. If the limitation on the maximum aggregate principal amount of the 2019A Bond set forth in this paragraph 3 restricts VRA's ability to generate the Proceeds Requested, taking into account the VRA Costs, the VRA Purchase Price Objective and market conditions, the purchase price of the 2019A Bond will result in an amount less than the Proceeds Requested. Subject to the foregoing limitations, the Authority authorizes VRA to establish the final principal amount of the 2019A Bond, the final interest rate or rates on the 2019A Bond, and the final maturity date and the final principal amortization schedule (including principal installment dates and amounts) for the 2019A Bond. No further action or approval of such financing terms shall be necessary on the part of the Authority. The principal of and premium, if any, and interest on the 2019A Bond shall be payable on the dates and in the amounts set forth in the 2019A Bond and the Financing Agreement. The Authority may, at its option, redeem, prepay or refund the 2019A Bond upon the terms set forth in the Financing Agreement. Interest on the 2019A Bond shall be computed on the basis described in the Financing Agreement and the form of the 2019A Bond.

As set forth in the Financing Agreement, the Authority agrees to pay such "Supplemental Interest" and other charges as provided therein, including such amounts as may be necessary to maintain or replenish the VRA Reserve. The principal of and premium, if any, and interest on the 2019A Bond shall be payable in lawful money of the United States of America.

**4. Execution and Form of 2019A Bond.** The 2019A Bond shall be executed by the Chairman or Vice Chairman of the Authority and attested by the Director or Secretary-Treasurer of the Authority and its seal shall be affixed thereon. The 2019A Bond shall be in substantially the form of Exhibit A attached hereto, with such completions, omissions, insertions, and changes not inconsistent with this Resolution as may be approved by the officers signing the 2019A Bond, whose approval shall be evidenced conclusively by the execution and delivery of the 2019A Bond to VRA as the purchaser thereof upon receipt of the purchase price from VRA as set forth in the Financing Agreement.

**5. Pledge of Revenues.** Principal of and premium, if any, and interest on the 2019A Bond shall be payable solely from the Net Revenues Available for Debt Service and other sources which are pledged therefore herein and in the Financing Agreement, and nothing in the Financing Agreement, the 2019A Bond or in this Resolution shall be deemed to create or constitute a pledge of faith and credit of the Commonwealth of Virginia or of any county, city, town or other political subdivision of the Commonwealth, including the Authority and the County. The Authority has no taxing power. It is intended that such pledge shall be on a parity with the similar pledge securing the Authority's outstanding water and sewer system revenue bonds, including its \$235,629 Water and Sewer System Revenue Bond, Series 2003, \$515,000 Water and Sewer System Revenue Bond, Series of 2004 (as and if required), \$4,435,000 Water



and Sewer System Revenue Refunding Bond, Series 2010, \$1,640,000 Water and Sewer System Revenue Bond, Series of 2011, \$2,105,000 Water and Sewer System Revenue Refunding Bond, Series 2013, \$2,540,000 Water and Sewer System Revenue Refunding Bond, Series 2014, \$2,025,000 Water and Sewer System Revenue Bond, Series 2016A, \$2,710,000 Single Advance Term Promissory Note, dated December 9, 2016, and \$9,800,000 Water Revenue Bond, Series 2018A (collectively, the "Existing Parity Bonds").

It is hereby covenanted and agreed with the holder of the 2019A Bond that so long as the 2019A Bond is outstanding and unpaid, the Authority shall fix and collect rates, fees and other charges for the use of and for services furnished or to be furnished by its System, and will from time to time revise such rates, fees and other charges so that in each Fiscal Year the Net Revenues Available for Debt Service will equal at least 115% of the amount required during the Fiscal Year to pay the principal of and interest on the 2019A Bond and all other Parity Bonds.

If, for any reason, the Net Revenues Available for Debt Service are insufficient to satisfy the foregoing covenant, the Authority shall within 90 days adjust and increase its rates, fees and other charges or reduce Operation and Maintenance Expenses, so as to provide sufficient Net Revenues Available for Debt Service to satisfy such requirement.

**6. Preparation of Printed 2019A Bond.** The Authority shall initially issue the 2019A Bond in typewritten form. Upon request of the registered owner and upon presentation of the 2019A Bond at the office of the Registrar (as hereinafter defined), the Authority shall arrange to have prepared, executed and delivered in exchange as soon as practicable the 2019A Bond in printed form in an aggregate principal amount equal to the unpaid principal of the 2019A Bond in typewritten form, in denominations of \$5,000 and multiples thereof, of the same form and maturity and registered in such names as requested by the registered owners or their duly authorized attorneys or legal representatives. The printed 2019A Bond may be executed by manual or facsimile signature of the Chairman or Vice Chairman of the Authority and attested by the manual or facsimile signature of the Director or Secretary-Treasurer of the Authority and a facsimile of its seal printed thereon; provided, however, that if both such signatures are facsimiles, no 2019A Bond shall be valid until it has been authenticated by the manual signature of the Registrar and the date of authentication noted thereon. The typewritten 2019A Bond surrendered in any such exchange shall be canceled.

**7. Registration and Transfer of 2019A Bond.** The Authority appoints its Secretary-Treasurer as paying agent and registrar (the "Registrar") for the 2019A Bond. If deemed to be in its best interest, the Authority may at any time appoint a qualified bank or trust company as successor Registrar. Upon surrender of the 2019A Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Authority shall execute, and the Registrar shall authenticate and deliver in exchange, a new 2019A Bond or 2019A Bonds having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rates and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Registrar may charge the person requesting



such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner of the 2019A Bond as the person or entity exclusively entitled to payment of principal thereof, and premium, if any, and interest thereon, and the exercise of all other rights and powers of the owner, except that payments shall be paid to the person or entity shown as owner on the registration books on the 15<sup>th</sup> day of the month preceding each such payment date.

**8. Mutilated, Lost or Destroyed Bond.** If the 2019A Bond has been mutilated, lost or destroyed, the Authority shall execute and deliver a new 2019A Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated 2019A Bond or in lieu of and in substitution for such lost or destroyed 2019A Bond; provided, however, that the Authority shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the Authority in connection therewith and, in the case of a lost or destroyed 2019A Bond, (a) has filed with the Authority evidence satisfactory to the Authority that such 2019A Bond was lost or destroyed, and (b) has furnished to the Authority satisfactory indemnity.

**9. Tax Compliance Agreement.** To the extent applicable if the 2019A Bond is issued on a "tax advantaged" basis, such officers of the Authority as may be requested are authorized and directed to execute and deliver a nonarbitrage certificate and tax compliance agreement or any related document in a form not inconsistent with this Resolution as may be approved by the officers of the Authority executing such document, whose approval shall be evidenced conclusively by the execution and delivery thereof, setting forth the expected use and investment of the proceeds of the 2019A Bond and containing such covenants as may be necessary in order for the VRA Bonds to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), including the provisions of Section 148 of the Tax Code and applicable regulations relating to "arbitrage bonds."

**10. Official Statement.** The Authority Board authorizes and consents to the inclusion of information with respect to the Authority contained in VRA's Preliminary Official Statement and VRA's Official Statement in final form, both prepared in connection with the sale of the VRA Bonds.

**11. SNAP Investment Authorization.** The Authority Board has determined to authorize the Secretary-Treasurer of the Authority, if and as necessary if the 2019A Bond is issued on a "tax advantaged" basis, to utilize the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") in connection with the investment of the proceeds of the 2019A Bond.

**12. Other Actions.** All other actions of officers of the Authority in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the 2019A Bond are ratified, approved and confirmed. The officers of the Authority are authorized and directed to execute and deliver all certificates and other instruments considered necessary or desirable in connection with the issuance, sale and delivery of the 2019A Bond pursuant to this Resolution, the Financing Agreement and the Support Agreement. The Director is authorized to include capitalized interest for all or any portion of the Project consistent with the Act.

**13. Limitation of Liability of Officials of the Authority.** No covenant, condition, agreement or obligation contained herein shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the Authority in his or her individual capacity. No officer of the Authority executing the 2019A Bond shall be liable personally on the 2019A Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No officer, employee or agent of the Authority shall incur any personal liability with respect to any other action taken by him or her pursuant to this Resolution, provided he or she acts in good faith.

**14. Selection of Bond Counsel.** The Authority hereby appoints the law firm of Kaufman & Canoles, P.C., Richmond, Virginia, as bond counsel to supervise the proceedings and approve the issuance of the 2019A Bond.

**15. Official Intent.** In adopting this Resolution authorizing the issuance of the 2019A Bond, the Authority declares and reaffirms its prior official intent declarations to issue the 2019A Bond and provide moneys to reimburse the Authority for expenditures with respect to the Project, as contemplated by Treasury Regulations 1.150-2 promulgated pursuant to the Tax Code.

**16. Effective Date.** This Resolution shall become effective immediately. The Director of the Authority is hereby authorized and directed to file a certified copy of this Resolution in the office of the Authority and with the Clerk of the Circuit Court of Greensville County, Virginia.

**CERTIFICATION**

The undersigned Secretary-Treasurer of the Greenville County Water and Sewer Authority hereby certifies that the foregoing constitutes a true, correct and complete copy of a Resolution adopted by the Greenville County Water and Sewer Authority at a meeting duly called and held on June 17, 2019, with the members present and absent and voting on the Resolution as set forth below, that such meeting was duly convened and held in all respects in accordance with law, and that the foregoing Resolution has not been repealed, revoked, rescinded or amended.

<u>Member</u>	<u>Present/Absent</u>	<u>Vote</u>
Raymond L. Bryant, Jr.		
Michael W. Ferguson		
Toney M. Conwell		
William B. Cain		

**WITNESS**, my hand and the seal of the Greenville County Water and Sewer Authority, this \_\_\_\_ day of \_\_\_\_\_, 2019.

**GREENSVILLE COUNTY WATER AND  
SEWER AUTHORITY**

By: \_\_\_\_\_  
Secretary-Treasurer



**LOCAL BOND SALE AND FINANCING AGREEMENT**

**between**

**VIRGINIA RESOURCES AUTHORITY**

**and**

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**

**Dated as of June 21, 2019**

**Virginia Resources Authority  
Infrastructure and State Moral Obligation Revenue Bonds  
(Virginia Pooled Financing Program)  
Series 2019B**

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## **LOCAL BOND SALE AND FINANCING AGREEMENT**

This **LOCAL BOND SALE AND FINANCING AGREEMENT** is dated as of June 21, 2019, and is between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia ("VRA"), and the **GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**, a public body corporate and politic and a political subdivision of the Commonwealth of Virginia (the "Local Government").

A. VRA intends to issue its Related Series of VRA Bonds, as hereinafter defined, and to use a portion of the proceeds thereof to acquire from the Local Government the Local Bond, as hereinafter defined.

B. VRA and the Local Government wish to set forth herein certain terms, conditions and provisions related to the application of the proceeds to be received pursuant to this Agreement, the payment of the debt service thereon and the security therefor, and the use and maintenance of the Related Financed Property, as hereinafter defined.

**NOW, THEREFORE**, VRA and the Local Government agree as follows:

### **ARTICLE I DEFINITIONS**

**Section 1.1 Definitions.** Each capitalized term contained in this Agreement has the meaning set forth below:

**"2019B Acquisition Fund"** has the meaning set forth in the Related Supplemental Series Indenture.

**"Act"** means the Virginia Resources Authority Act, Chapter 21, Title 62.1 of the Code of Virginia of 1950, as amended.

**"Agreement"** means this Local Bond Sale and Financing Agreement dated the date first written above, between VRA and the Local Government, as modified, altered, amended or supplemented in accordance with the terms hereof.

**"Annual Budget"** means the budget of the System for each Fiscal Year.

**"Business Day"** means any day on which commercial banking institutions are generally open for business in New York, New York and Richmond, Virginia.

**"Closing Date"** means August 14, 2019 or such other date as may be determined by VRA.

**"Consulting Engineer"** means the Local Engineer or the Outside Engineer.

**"County"** means the County of Greenville, Virginia.



**"Effective Date"** means June 21, 2019, which is the deadline for the Local Government to provide an executed copy of this Agreement to VRA.

**"Event of Default"** has the meaning set forth in Section 10.1.

**"Existing Parity Bonds"** has the meaning set forth in Section 2.2(n).

**"Financing Parameters"** means the parameters established by the governing body of the Local Government regarding the terms and conditions of the Local Bond, which may include a maximum par amount, maximum "true" interest cost or targeted savings.

**"Fiscal Year"** means the 12-month period beginning July 1 of one year and ending on June 30 of the following year, or if the Local Government has established another 12-month period as its annual accounting period such other 12-month period.

**"Government Obligations"** means direct obligations of, or obligations the payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America.

**"Local Account"** means the local account established for the Local Bond within the 2019B Acquisition Fund.

**"Local Authorization"** means the resolution adopted on June 17, 2019 by a majority of the members of the governing body of the Local Government approving (i) the transactions contemplated by and authorizing the execution and delivery of the Local Bond Documents and (ii) the execution, issuance and sale of the Local Bond subject to the Financing Parameters.

**"Local Bond"** means the Local Government's [Water and Sewer System Revenue Bond, Series 2019B], issued in the original principal amount set forth in Schedule 1.1, as such bond may be amended or modified.

**"Local Bond Documents"** means this Agreement, the Support Agreement and the Local Tax Document.

**"Local Engineer"** means an officer or employee of the Local Government so designated in writing by a Local Representative, which officer or employee (i) is licensed as a professional engineer in Virginia, (ii) has recognized standing and experience in the design and construction of facilities similar to the Project and (iii) is subject to VRA's reasonable approval.

**"Local Government"** means the Greenville County Water and Sewer Authority.

**"Local Representative"** means (i) the chair or vice chair of the governing body of the Local Government, (ii) the chief executive officer of the Local Government and (iii) any other official or employee of the Local Government authorized by resolution of the governing body of the Local Government to perform the act or sign the document in question.

**"Local Tax Document"** means the Nonarbitrage Certificate and Tax Compliance Agreement dated the Closing Date, between the Local Government and VRA, as modified, altered, amended and supplemented.

**"Master Indenture"** means the Master Indenture of Trust dated as of December 1, 2003, between VRA and the Trustee, as modified, altered, amended and supplemented in accordance with its terms.

**"Net Revenues Available for Debt Service"** means the Revenues less amounts necessary to pay Operation and Maintenance Expenses.

**"Operation and Maintenance Expenses"** means the costs of operating and maintaining the System determined under generally accepted accounting principles, exclusive of (i) interest on any debt payable from Revenues, (ii) depreciation and other items not requiring the expenditure of cash, (iii) any amounts expended for capital replacements, repairs and maintenance not recurring either annually or biannually, depending on the customary practice of performing operation and maintenance, or reserves therefor, and (iv) reserves for administration, operation and maintenance occurring in the normal course of business.

**"Outside Engineer"** means a firm of independent consulting engineers with recognized standing in the field of water and sewer engineering and licensed as professional engineers in Virginia that the Local Government designates in writing, subject to VRA's reasonable approval.

**"Parity Bonds"** means the bonds and other obligations of the Local Government secured by a pledge of Revenues on a parity with the lien of the pledge of Revenues that secures the Local Bond.

**"Proceeds Requested"** means \$[7,504,270] together with an amount to pay related costs of issuance, or such other amount requested in writing by the Local Government and approved by VRA prior to the Sale Date.

**"Project"** means the project described in Exhibit B.

**"Project Budget"** means the budget for the Project set forth in Schedule 1.1.

**"Project Costs"** means the costs of the Project to the extent such costs are included in the definition of "cost" set forth in Section 62.1-199 of the Act, and includes the refunding of obligations of VRA or the Local Government issued to finance or refinance "costs" set forth in Section 62.1-199 of the Act.

**"Purchase Price"** has the meaning set forth in Schedule 1.1 and represents the amount received by the Local Government from the sale of the Local Bond to VRA. The Purchase Price of the Local Bond will be determined by adding to or subtracting from the portion of the par amount of the Local Bond the Local Government's share of the net original issue premium or discount on the Related Series of VRA Bonds and by subtracting from the par amount of the Local Bond the Local Government's share of VRA's expenses as set forth in Section 3.2 and the Local Government's share of the deposit on the Closing Date to any applicable VRA Reserve. It is



acknowledged that the Purchase Price does not include any accrued interest on the Local Bond from its dated date to the Closing Date.

**"Qualified Independent Consultant"** means an independent professional consultant having the skill and experience necessary to provide the particular certificate, report or approval required by the provision of this Agreement in which such requirement appears, including without limitation an Outside Engineer, and an independent certified public accountant or firm of independent certified public accountants; provided, however, all Qualified Independent Consultants are subject to the reasonable approval of VRA.

**"Registrar"** means the officer or employee of the Local Government designated under the Local Authorization to maintain the registration books for the Local Bond.

**"Related Financed Property"** means the land, building, equipment and other property, the acquisition, construction, renovation, or equipping of which was financed by the Local Bond as part of the Project.

**"Related Portion of VRA Bonds"** means the portion of the Related Series of VRA Bonds allocable to the Local Bond (as determined by VRA), including any bonds issued by VRA to refund such Related Series of VRA Bonds in whole or in part.

**"Related Series of VRA Bonds"** means the Virginia Resources Authority Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2019B (or such other series of Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program that is specified in Schedule 1.1), in the original aggregate principal amount set forth in Schedule 1.1, and, unless the Local Government receives notice to the contrary from VRA, any bonds issued by VRA to refund the Related Series of VRA Bonds in whole or in part.

**"Related Supplemental Series Indenture"** means the Forty-Fifth Supplemental Series Indenture of Trust dated as of August 1, 2019, between VRA and the Trustee, as modified, altered, amended and supplemented in accordance with its terms and those of the Master Indenture.

**"Revenue Fund"** has the meaning set forth in the Master Indenture.

**"Revenues"** means (i) all rates, fees, rentals, charges and other income properly allocable to the System under generally accepted accounting principles or resulting from the Local Government's ownership or operation of the System and all rights to receive the same, whether now existing or hereafter coming into existence (including amounts appropriated for and paid to the Local Government by the County under the Support Agreement), exclusive of user and other deposits subject to refund until such deposits have become the Local Government's property, (ii) the proceeds of any insurance covering business interruption loss relating to the System, (iii) interest on any money or securities related to the System held by or on behalf of the Local Government and (iv) any other income from other sources now or hereafter pledged or specifically made available by or on behalf of the Local Government to or for the payment of Operation and Maintenance Expenses or debt service on Parity Bonds.

**"Sale Date"** means July 24, 2019, or such other date specified in Schedule 1.1.

**"Subordinate Debt"** means obligations of the Local Government secured by a pledge of Revenues expressly made subordinate to the pledge securing the Local Bond and any other Parity Bonds, and any obligations to make deposits related to reserve funds, rebate funds and similar funds or accounts established for the benefit of the Local Bond or any other Parity Bonds.

**"Supplemental Interest"** has the meaning set forth in Section 6.1.

**"Support Agreement"** means the Support Agreement dated as of August 14, 2019.

**"System"** means all plants, systems, facilities, equipment or property owned operated or maintained by the Local Government and used in connection with the supply, treatment, storage or distribution of water and the collection and treatment of wastewater, as the same may exist from time to time, and includes the Related Financed Property.

**"Trustee"** means U.S. Bank National Association, Richmond, Virginia, as trustee under the Master Indenture and the Related Supplemental Series Indenture, or its successors serving in such capacity.

**"Virginia SNAP"** means the Commonwealth of Virginia State Non-Arbitrage Program.

**"VRA"** means the Virginia Resources Authority, a public body corporate and a political subdivision of the Commonwealth of Virginia.

**"VRA Bonds"** means the Related Series of VRA Bonds and any additional bonds issued under the Master Indenture.

**"VRA Reserve"** means any one or more of the Capital Reserve Fund, the Infrastructure Debt Service Reserve Fund, the Operating Reserve Fund, a CRF Credit Facility or an Infrastructure Revenue DSRF Facility, each as defined in the Master Indenture.

**Section 1.2 Rules of Construction.** The following rules apply to the construction of this Agreement unless the context requires otherwise:

(a) Singular words connote the plural number as well as the singular and vice versa.

(b) Words importing the redemption or calling for redemption of the Local Bond do not refer to or connote the payment of the Local Bond at its stated maturity.

(c) All references in this Agreement to particular Articles, Sections or Exhibits are references to Articles, Sections or Exhibits of this Agreement unless otherwise indicated.

(d) The headings and table of contents as used in this Agreement are solely for convenience of reference and do not constitute a part of this Agreement and do not affect its meaning, construction or effect.



## ARTICLE II REPRESENTATIONS

**Section 2.1    Representations by VRA.** VRA represents to the Local Government as follows:

(a) VRA is a duly created and validly existing public body corporate and political subdivision of the Commonwealth of Virginia vested with the rights and powers conferred upon it under the Act.

(b) VRA has full right, power and authority to (i) issue, sell and deliver the Related Series of VRA Bonds, (ii) direct the Trustee to use a portion of the proceeds of the Related Series of VRA Bonds to purchase the Local Bond from the Local Government as contemplated under the Related Supplemental Series Indenture and this Agreement and (iii) carry out and consummate all other transactions contemplated by this Agreement.

(c) VRA has duly authorized, executed and delivered this Agreement, and this Agreement constitutes a legal, valid and binding obligation of VRA enforceable against VRA in accordance with its terms.

**Section 2.2    Representations by Local Government.** The Local Government represents to VRA as follows:

(a) The Local Government is a duly created and validly existing Virginia "local government" (as defined in Section 62.1-199 of the Act) and is vested with the rights and powers conferred upon it by Virginia law.

(b) The Local Government has full right, power and authority to (i) adopt the Local Authorization and execute and deliver the Local Bond Documents and all related documents, (ii) issue, sell and deliver its Local Bond to the Trustee, (iii) own and operate the System, (iv) undertake the Project and (v) carry out and consummate all of the transactions contemplated by the Local Authorization, the Local Bond and the Local Bond Documents.

(c) The Local Authorization authorized the execution and delivery of this Agreement and this Agreement is in substantially the same form as presented to the Local Government's governing body at its meeting at which the Local Authorization was adopted. The Local Authorization was filed in the Greensville County Circuit Court on June [ ], 2019.

(d) The Local Government has obtained all governmental permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the Effective Date for the Local Government's (i) adoption of the Local Authorization, (ii) execution and delivery of the Local Bond Documents and the Local Bond, (iii) performance of its obligations under the Local Bond Documents and the Local Bond, (iv) the undertaking of the Project and (v) the operation and use of the System. The Local Government knows of no reason why any such required governmental permits, licenses, registrations, certificates, authorizations or approvals not required to be obtained by the Effective Date cannot be obtained as required in the future.

(e) The Local Government has executed and delivered this Agreement, and this Agreement constitutes a legal, valid and binding obligation of the Local Government enforceable against the Local Government in accordance with its terms.

(f) When executed and delivered in accordance with the Local Authorization and this Agreement, the Local Bond will have been executed and delivered by duly authorized officials of the Local Government and will constitute a legal, valid and binding limited obligation of the Local Government enforceable against the Local Government in accordance with its terms.

(g) The issuance of the Local Bond and the execution and delivery of the Local Bond Documents and the performance by the Local Government of its obligations thereunder are within the powers of the Local Government and will not conflict with, or constitute a breach or result in a violation of (i) to the best of the Local Government's knowledge, any federal, or Virginia constitutional or statutory provision, including the Local Government's charter or articles of incorporation, if any, (ii) any agreement or other instrument to which the Local Government is a party or by which it is bound or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Local Government or its property.

(h) The Local Government is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness for borrowed money has been incurred. No event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to this Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

(i) The Local Government (i) to the best of the Local Government's knowledge, is not in violation of any existing law, rule or regulation applicable to it in any way that would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Bond or the Local Bond Documents and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Local Government is a party or by which it is bound or to which any of its assets is subject that would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Bond and the Local Bond Documents. The Local Government's execution and delivery of the Local Bond and the Local Bond Documents and its compliance with the terms and conditions thereof will not conflict with or result in a breach of or constitute a default under any of the foregoing.

(j) The Local Government reasonably expects that, unless otherwise permitted by the terms of the Local Bond Documents or approved by VRA, the Local Government will own, operate and control the System at all times during the term of the Local Bond.

(k) Except as set forth in Exhibit C, there are not pending nor, to the best of the Local Government's knowledge, threatened against the Local Government, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature (i) affecting the creation, organization or existence of the Local Government or the title of its



officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Local Authorization, the Local Bond Documents or the issuance or delivery of the Local Bond, (iii) in any way contesting or affecting the validity or enforceability of the Local Bond, the Local Authorization, the Local Bond Documents or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Local Government or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Local Authorization, the Local Bond Documents or the Local Bond or (v) affecting the Project.

(l) The financial statements, applications and other information that the Local Government furnished to VRA in connection with this Agreement fairly and accurately portray the Local Government's financial condition, as of their dates, and there has been no material adverse change in the financial condition of the Local Government since the date of the financial statements provided to VRA in connection with this Agreement.

(m) Nothing that would constitute an Event of Default hereunder has occurred and is continuing, and no event or condition exists that with the passage of time or the giving of notice, or both, would constitute an Event of Default hereunder.

(n) A list of all Parity Bonds that are outstanding on the date of this Agreement is attached as Exhibit J (the "Existing Parity Bonds").

(o) Except for the Existing Parity Bonds, there is no indebtedness of the Local Government secured by a pledge of Revenues prior to or on a parity with the lien of the pledge of Revenues that secures the Local Bond.

**Section 2.3 Representations Remade as of the Sale Date.** (a) It shall be a condition precedent of VRA's obligation to sell the Related Series of VRA Bonds that the Local Government's representations and warranties set forth in Section 2.2 be true and accurate in all respects on the Sale Date.

(b) If prior to the Sale Date, any representation or warranty set forth in Section 2.2 becomes untrue or inaccurate, then the Local Government shall notify VRA within one Business Day of becoming aware of such facts, and VRA, in its sole and absolute discretion, shall determine whether to sell VRA Bonds on behalf of the Local Government, which series of VRA Bonds (if any) to sell on behalf of the Local Government and any additional conditions precedent to the sale of such VRA Bonds or the purchase of the Local Bond.

### **ARTICLE III PURCHASE OF THE LOCAL BOND**

**Section 3.1 Purchase of the Local Bond.** (a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth or incorporated herein, VRA shall purchase, solely from the proceeds of the Related Series of VRA Bonds, all, but not less than all, of the Local Bond from the Local Government, and the Local Government shall, subject to the Financing Parameters, sell and deliver to VRA the Local Bond for the Purchase



Price. The Local Government acknowledges that the Purchase Price is determined by VRA, is subject to VRA's Purchase Price Objective (as defined below) and market conditions as described below, and is expected to be substantially equal to the Proceeds Requested. The Local Government shall issue the Local Bond pursuant to the Local Authorization and in substantially the form of Exhibit A to this Agreement. As a condition of VRA entering into this Agreement, the Local Government shall deliver to VRA a copy of the Local Authorization as adopted prior to the date hereof.

(b) The Local Government acknowledges that VRA has advised the Local Government that its objective is to pay the Local Government the Purchase Price for its Local Bond which in VRA's judgment reflects the market value of the Local Bond ("Purchase Price Objective"), taking into consideration the Financing Parameters, the purchase price received by VRA for the Related Series of VRA Bonds, the underwriters' discount and other issuance costs of the Related Series of VRA Bonds and other market conditions relating to the sale of the Related Series of VRA Bonds. The Local Government further acknowledges that VRA has advised it that such factors may result in the Local Bond having a value other than par and that in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, the Local Government may need to issue the Local Bond with a par amount that is greater or less than the Proceeds Requested. The Local Government shall not issue the Local Bond if doing so would violate any Financing Parameter. The Local Government shall issue the Local Bond at a par amount that provides to the fullest extent practicable given VRA's Purchase Price Objective, a Purchase Price at least equal to the Proceeds Requested, all in accordance with the Local Authorization. The Local Government acknowledges that the Purchase Price will be less than the Proceeds Requested if any Financing Parameter prevents VRA from generating a Purchase Price substantially equal to the Proceeds Requested, based upon VRA's Purchase Price Objective.

**Section 3.2 Issuance Expenses.** VRA shall pay, or cause to be paid, from the proceeds of the Related Series of VRA Bonds all expenses incident to the performance of VRA's obligations under and the fulfillment of the conditions imposed by this Agreement in connection with the issuance, sale and delivery of the Related Series of VRA Bonds and the purchase of the Local Bond on the Closing Date, including, but not limited to: (i) the cost, if any, of preparing and delivering the Related Series of VRA Bonds; (ii) the cost of preparing, printing and delivering the Preliminary Official Statement and the Official Statement for the Related Series of VRA Bonds and any amendment or supplement thereto; (iii) the fees and expenses of the financial advisor(s) and bond counsel to VRA; and (iv) all other costs and expenses incurred by VRA. The Local Government shall pay all expenses of the Local Government incident to the issuance, sale and delivery of the Local Bond, including, but not limited to the fees and disbursements of the financial advisor, counsel and bond counsel to the Local Government from the Purchase Price or other funds of the Local Government.

**Section 3.3 Schedule 1.1.** VRA shall complete Schedule 1.1, which shall set forth, among other things, the principal amount, interest rates, payment schedule and Purchase Price with respect to the Local Bond and the principal amount of the Related Series of VRA Bonds on or after the Sale Date. VRA shall deliver the completed Schedule 1.1 to the Local Government and shall attach Schedule 1.1 to this Agreement. Upon delivery to the Local Government, the completed



Schedule 1.1 shall become a part of this Agreement the same as if it were a part hereof on the Effective Date.

**Section 3.4 Conditions Precedent to Purchase of the Local Bond.** VRA shall not be required to cause the Trustee to purchase the Local Bond unless:

(a) VRA has received the following, all in form and substance satisfactory to VRA:

(1) Certified copies of the Local Authorization and all other ordinances and resolutions of the Local Government relating to the Local Bond Documents and the Local Bond, if any.

(2) A certificate of the appropriate officials of the Local Government dated the Closing Date as to the matters set forth in Section 2.2 and Section 2.3 (to the extent applicable), including appropriate certifications regarding the Local Bond Documents, and such other matters as VRA may reasonably require.

(3) Evidence that the Local Government has performed and satisfied all of the terms and conditions contained in this Agreement to be performed and satisfied by it as of such date.

(4) An opinion of counsel to the Local Government in substantially the form attached as Exhibit F.

(5) An opinion of bond counsel to the Local Government in form and substance reasonably satisfactory to VRA.

(6) Evidence that the Local Government has complied with the insurance provisions set forth in Section 8.1 and Section 8.2.

(7) The executed Local Bond and original executed counterparts of the Local Tax Document.

(8) A certificate of the Consulting Engineer giving the Consulting Engineer's estimate of the construction portion of the total Project Costs to be financed with the proceeds of the Local Bond, which estimate must be in an amount and otherwise compatible with the financing plan described in the Project Budget.

(9) A certificate of a Consulting Engineer (i) to the effect that the Purchase Price and funds available from the other sources specified in the Project Budget will be sufficient to pay all of the estimated Project Costs and (ii) specifying the date the Local Government is expected to complete the Project.

(10) A certificate of an Outside Engineer or a Qualified Independent Consultant, including supporting documentation, to the effect that during the first two complete Fiscal Years following the estimated completion date of the Project, the projected

Net Revenues Available for Debt Service will satisfy the Local Government's rate covenant under Section 5.2(a). In providing this certificate, the Outside Engineer or Qualified Independent Consultant may take into consideration future System rate increases, provided that such rate increases have been duly approved by the Local Government's governing body and any other person or entity required to give approval for the rate increase to become effective. In addition, the Outside Engineer or Qualified Independent Consultant may take into consideration additional future revenues to be derived under existing contractual arrangements entered into by the Local Government and from reasonable estimates of growth in the Local Government's consumer base.

(11) A certificate of the Consulting Engineer to the effect that (i) all governmental permits, licenses, registrations, certificates, authorizations and approvals for the undertaking of the Project and the operation and use of the System required to have been obtained as of the Closing Date have been obtained and (ii) the Consulting Engineer knows of no reason why any such required governmental permits, licenses, registrations, certificates, authorizations and approvals for the undertaking of the Project and the operation and use of the System cannot be obtained as required in the future.

(12) Evidence that the Local Government is in compliance with the construction contract provisions set forth in Section 7.13 with respect to any existing contracts as of the Closing Date.

(13) Evidence that the Local Government has satisfied all conditions precedent to the issuance of the Local Bond as a "Parity Bond" under the financing documents for the Existing Parity Bonds.

(14) A certified copy of the resolution adopted by the governing body of the County on June 17, 2019, relating to the Support Agreement.

(15) Such other documentation, certificates and opinions as VRA may reasonably require as set forth in Schedule 1.1.

(b) The initial purchasers of the Related Series of VRA Bonds have paid in full and VRA has accepted the purchase price for the Related Series of VRA Bonds on the Closing Date. It is understood that the sole source of funds to pay the Purchase Price is a portion of the proceeds of the Related Series of VRA Bonds.

#### **ARTICLE IV USE OF PURCHASE PRICE**

##### **Section 4.1 Deposit of Purchase Price; Investment of Amounts in Local Account.**

(a) On the Closing Date, VRA shall cause the Trustee to deposit the Purchase Price into the Local Account and to apply the Purchase Price and the earnings thereon as set forth in the Related Supplemental Series Indenture, this Agreement and the Local Tax Document.



(b) The Local Government acknowledges and consents to the investment of the Purchase Price and the earnings thereon in Virginia SNAP.

**Section 4.2 Agreement to Accomplish Project.** (a) The Local Government shall cause the Project to be acquired, constructed, expanded, renovated, equipped or financed as described in Exhibit B and in accordance with the Project Budget, this Agreement, the Local Tax Document and the plans, specifications and designs prepared by the Consulting Engineer and approved by the Local Government. The Local Government shall complete, or cause to be completed, the Project by the date set forth in the certificate delivered under Section 3.4(a)(9). The Local Government shall obtain the approval of all applicable regulatory agencies to all plans, specifications and designs for the Project. The Local Government shall maintain complete and accurate books and records of the Project Costs and permit VRA or the Trustee through their representatives to inspect such books and records at any reasonable time.

(b) Upon completion of the Project, the Local Government shall promptly deliver to VRA and the Trustee a certificate signed by a Local Representative and by the Consulting Engineer stating (i) that the Project has been completed substantially in accordance with this Article and in substantial compliance with all material applicable laws, ordinances, rules and regulations, (ii) the date of such completion and (iii) that all certificates of occupancy or other material permits then necessary for the use, occupancy and operation of the Related Financed Property have been issued or obtained. Such certificate shall be accompanied by a copy of the final requisition submitted to the Trustee pursuant to Section 4.3, including Schedule 1 thereto.

(c) If upon completion of the Project and payment of all related costs of issuance, there is a balance remaining in the Local Account, the Trustee shall apply any remaining balance at the direction of the Local Government to pay interest on the Local Bond or in such other manner that is permitted under the Act and will not, in the opinion of a nationally-recognized bond counsel delivered to VRA and the Trustee, have an adverse effect on the tax status of the Related Series of VRA Bonds.

**Section 4.3 Disbursement of Purchase Price and Earnings.** Except as provided in Section 4.2(c), the Local Government shall apply the amounts in the Local Account solely and exclusively to the payment or reimbursement of the Local Government for the Project Costs. Not more frequently than once per calendar month, the Trustee shall disburse amounts from the Local Account to the Local Government or as directed by the Local Government upon the Trustee's receipt of the following:

(a) A requisition (upon which the Trustee and VRA shall be entitled to rely) signed by a Local Representative and containing all information called for by, and otherwise being in the form of, Exhibit D (including the Schedules thereto).

(b) Receipts, vouchers, statements, bills of sale or other evidence of payment of the related Project Costs.

(c) If any requisition includes an item for payment for labor or to contractors, builders or materialmen:



(1) a certificate, signed by a Consulting Engineer, stating that such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Project; and

(2) a certificate, signed by a Consulting Engineer (that may rely on representations of counsel or a title insurance agency reasonably acceptable to VRA), stating that no notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the money payable under the requisition to any of the persons, firms or corporations named in it has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of the requisition.

(d) If any requisition includes an item for payment of the cost of acquisition of any lands or easements, rights or interests in or relating to lands, there shall also be attached to such requisition:

(1) a certificate, signed by a Consulting Engineer, stating that such lands, easements, rights or interests are being acquired and are necessary or convenient for the construction of the Project; and

(2) a certificate, signed by a Consulting Engineer (that may rely on representations of counsel or a title insurance agency reasonably acceptable to VRA), stating that upon payment therefor the Local Government will have title in fee simple to, or easements, rights or interests sufficient for the purposes of, the Project over and through the subject lands.

Following VRA's approval of each such requisition and accompanying invoice(s) and certificate(s), which approval will not unreasonably be withheld, the Trustee shall pay the requisition from the Local Account in accordance with the instructions in such requisition.

**The Local Government agrees that any amounts disbursed to it or for its account from the Local Account will be (i) immediately applied to reimburse the Local Government for Project Costs it has already paid or (ii) actually spent to pay Project Costs not later than five banking days after receipt.**

**Section 4.4 No Sufficiency Warranty by VRA; Local Government Required to Complete Project.** VRA makes no warranty, either express or implied, that the Purchase Price will be sufficient to pay all or any particular portion of the Project Costs. If the Purchase Price is not sufficient to pay in full the cost of the Project, the Local Government shall complete the Project at its own expense and shall not be entitled to any reimbursement therefor from VRA or any abatement, diminution or postponement of its payments under the Local Bond or this Agreement.

## **ARTICLE V PLEDGE AND SECURITY**

**Section 5.1 Pledge.** Subject to the Local Government's right to apply Revenues to the payment of Operation and Maintenance Expenses, the Revenues are hereby pledged to



secure the payment of the principal of and premium, if any, and interest on the Local Bond and the payment and performance of the Local Government's obligations under this Agreement on a parity with any Parity Bonds. This pledge shall be valid and binding from and after the Closing Date. The Revenues, as received by the Local Government, shall immediately be subject to the lien of this pledge without any physical delivery of them or further act. Except as stated above, the lien of this pledge shall have priority over all other obligations and liabilities of the Local Government payable from Revenues, and the lien of this pledge shall be valid and binding against all parties having claims of any kind against the Local Government regardless of whether such parties have notice of this pledge. Until the occurrence and continuation of an Event of Default, the Local Government may, after the application each month of Revenues to the payment of the Operation and Maintenance Expenses and debt service on the Local Bond and any other Parity Bond, use the Revenues for any lawful purpose.

**Section 5.2 Rate Covenant.** (a) The Local Government shall fix and collect rates, fees and other charges for the use of and for services furnished or to be furnished by its System, and will from time to time revise such rates, fees and other charges so that in each Fiscal Year the Net Revenues Available for Debt Service will equal at least 115% of the amount required during the Fiscal Year to pay the principal of and interest on the Local Bond and all other Parity Bonds.

(b) If, for any reason, the Net Revenues Available for Debt Service are insufficient to satisfy the covenant set forth in subsection (a), the Local Government shall (i) on its demand, pay to VRA a rate maintenance penalty fee in an amount of \$5,000, and (ii) within 90 days adjust and increase its rates, fees and other charges or reduce its Operation and Maintenance Expenses so as to provide sufficient Net Revenues Available for Debt Service to satisfy such requirement.

(c) On or before the last day of each Fiscal Year, the Local Government shall review the adequacy of its rates, fees and other charges for the next Fiscal Year, and, if such review indicates the Local Government's rates, fees and other charges will be insufficient to satisfy the rate covenant in subsection (a), the Local Government shall promptly take appropriate action to increase its rates, fees and other charges or reduce its Operation and Maintenance Expenses to cure any deficiency.

**Section 5.3 Annual Budget of the System.** Not less than 15 days before the first day of each Fiscal Year, the Local Government shall submit to its governing body and to VRA a copy of a preliminary annual budget, containing all information called for by, and otherwise being in the form of, Exhibit I to this Agreement, for such Fiscal Year setting forth a schedule of the rates, fees and other charges to be imposed by the Local Government, the Revenues estimated to be generated thereby and the expenditures anticipated by the Local Government for operations, maintenance, repairs, replacements, improvements, debt service and other purposes. The Local Government shall adopt, prior to the first day of each Fiscal Year, a budget for such Fiscal Year. The Local Government shall ensure that the adopted budget contains the information required to be included in the preliminary budget. Such budget as approved by the Local Government's governing body is referred to in this Agreement as the Annual Budget. The Local Government may at any time during any Fiscal Year amend the Annual Budget for such Fiscal Year so long as



such amendment does not result in an Event of Default. The Local Government shall promptly submit to VRA, in an electronic format, a copy of the Annual Budget and any amendments thereto.

**Section 5.4 Qualified Independent Consultant's Report.** (a) If at the end of any Fiscal Year, the Local Government is not in compliance with the rate covenant made by the Local Government in Section 5.2(a), within 210 days after the end of such Fiscal Year, the Local Government shall obtain a report from the Qualified Independent Consultant. The Local Government shall ensure that the report gives advice and makes recommendations as to the proper maintenance, repair, replacement and operation of the System for the next ensuing Fiscal Year and estimating the costs thereof as to the rates, fees, and other charges which should be established by the Local Government to satisfy the rate covenant in Section 5.2(a). The Local Government shall promptly furnish a copy of such report to VRA and, subject to Section 5.4(b), take measures to implement the recommendations of the Qualified Independent Consultant within 90 days of obtaining such report.

(b) If the Local Government determines that the Qualified Independent Consultant's recommendations are impractical or inappropriate, the Local Government may in lieu thereof adopt other procedures which the Local Government believes will bring it into compliance with the rate covenant made by the Local Government in Section 5.2(a) when such measures have been implemented and become fully effective. Such alternative plan shall be filed with VRA not later than 30 days after receipt of the Qualified Independent Consultant's report along with a detailed explanation of the Local Government's reason for rejecting the Qualified Independent Consultant's recommendations. Notwithstanding anything herein to the contrary, VRA reserves the right, in its sole discretion, to reject such alternate procedures and, to the extent permitted by law, require the Local Government to comply with the Qualified Independent Consultant's recommendations.

**Section 5.5 Intentionally Omitted.**

**ARTICLE VI  
PAYMENT AND REDEMPTION OF LOCAL BOND**

**Section 6.1 Payment of Local Bond and Related Amounts.** (a) Until the principal of and premium, if any, and interest on the Local Bond and all other amounts payable under this Agreement have been paid in full, the Local Government shall pay the Trustee or VRA, as applicable, the following amounts:

(1) to the Trustee, the amounts required by the Local Bond on such dates and in such manner as provided for in the Local Bond – the term "interest," as used in the Local Bond and this Agreement, includes Supplemental Interest, when and if payable;

(2) to VRA, on its demand, no later than 15 days after VRA provides notice to the Local Government any amounts payable under the Local Tax Document, any amounts payable under the Local Tax Document, including without limitation the costs of any rebate calculation agent;



(3) to VRA, on its demand, a late payment penalty in an amount equal to 5.0% of the payment on the Local Bond not paid within 5 days after its due date;

(4) to the Trustee, the Local Government's share (as determined by VRA) of the annual fees and expenses of the Trustee, less the Local Government's share of the net earnings on the Revenue Fund, Infrastructure Revenue Debt Service Fund and Moral Obligation Debt Service Fund established under the Master Indenture (as determined by VRA), and the Local Government shall pay such amounts no later than 15 days after VRA or the Trustee sends to the Local Government a written bill for them; and

(5) to VRA, the reasonable costs and expenses, including reasonable attorneys' fees, if any, incurred by VRA in connection with (i) an Event of Default or default by the Local Government under this Agreement (ii) any amendment to or discretionary action that VRA undertakes at the request of the Local Government under this Agreement, any other document related to the Related Series of VRA Bonds or the Local Bond or (iii) any claim, lawsuit or other challenge to the Local Bond, the VRA Bonds or this Agreement that arises, at least in part, out of the Local Government's authorization of its issuance of the Local Bond, and the Local Government shall pay such amounts no later than 15 days after VRA or the Trustee sends to the Local Government a written bill for them.

(b) If any failure of the Local Government to pay all or any portion of any required payment of the principal of or premium, if any, or interest on the Local Bond results in a withdrawal from or a drawing on any VRA Reserve, the interest rates applicable to the Local Bond shall be increased to interest rates sufficient to reimburse the VRA Reserve for any foregone investment earnings on the funds withdrawn therefrom and pay any interest, fees or penalties assessed as a result of the withdrawal from or drawing on the VRA Reserve. The increment of interest payable pursuant to the increase in rates shall be referred to as "Supplemental Interest." The Local Government's obligation to pay Supplemental Interest shall commence on the date of the withdrawal or drawing of funds from the VRA Reserve occasioned by the Local Government's failure to pay a required payment or portion thereof as described above (the "Supplemental Interest Commencement Date"). The Local Government's obligation to pay Supplemental Interest shall terminate on the date on which the Local Government makes all payments required but outstanding since the date of the initial failure to pay (the "Supplemental Interest Termination Date"). From the Supplemental Interest Commencement Date to the Supplemental Interest Termination Date, Supplemental Interest shall be due and payable on the regularly scheduled interest payment dates provided for in the Local Bond. As soon as reasonably possible after the Supplemental Interest Commencement Date and before the next regularly scheduled interest payment date provided for in the Local Bond, VRA shall deliver to the Local Government a certificate as to the increase in interest rates and the amount of Supplemental Interest. The certificate shall set forth in reasonable detail the basis for the increase in interest rates and the manner of calculation of the increase and the amount of Supplemental Interest. Such certificate shall be conclusive (absent manifest error) as to the interest rate increase and amount of Supplemental Interest set forth therein. In determining the interest rate increase and the amount of Supplemental Interest, VRA may use any reasonable averaging and attribution methods.



(c) The Local Government shall pay the amounts described above and make payments as scheduled under the Local Bond despite any amount being withdrawn from or drawn on a VRA Reserve pursuant to the Master Indenture.

**Section 6.2 Defeasance and Redemption of Local Bond.** (a) The Local Government shall not defease or redeem the Local Bond (in whole or in part), except as provided in this Section 6.2.

(b) The Local Government shall satisfy the following conditions prior to the defeasance and redemption of the Local Bond:

(1) The Local Government shall provide to VRA not less than 60 days' prior written notice of the deposit of the funds described in (2), (3) and (4) below.

(2) The Local Government shall deposit with the Trustee an amount sufficient for VRA to establish an escrow of cash and non-callable, non-prepayable Government Obligations the principal of and interest on which will be sufficient (without reinvestment) to cause the defeasance under Article XII of the Master Indenture of the portion of the Related Portion of VRA Bonds corresponding to the portion of the Local Bond to be defeased or prepaid (the "Allocated Portion"). The defeasance of the Allocated Portion may be either to maturity or an earlier redemption date as determined by the Local Government.

(3) The Local Government shall deposit with VRA cash in an amount sufficient, as determined by VRA, to pay for a verification report required for the defeasance of the Allocated Portion under Article XII of the Master Indenture, any costs incurred by VRA in connection with the redemption, refunding and defeasance of the Allocated Portion, all amounts overdue or then due on the Local Bond (including, without limitation, any Supplemental Interest) and all amounts overdue, due or to become due under Section 6.1(a) of this Agreement.

(4) The Local Government shall deposit with VRA cash in an amount equal to the present value of interest that would be paid on the principal of the Allocated Portion at a rate equal to 0.125%, payable semiannually, to the maturity dates of the Allocated Portion or, if earlier, the redemption date or dates of the Allocated Portion. Present value shall be determined by using a discount rate equal to the true interest cost of the Related Portion of VRA Bonds.

(c) VRA will determine which Related Portion of VRA Bonds will be designated as the Allocated Portion and the amounts to be deposited under subsection (b)(2) and (3) above using such reasonable allocation and estimation methods as may be selected by VRA, and VRA's determinations shall be conclusive (absent manifest error).

(d) The Local Government acknowledges that no funds in any VRA Reserve will be available to the Local Government for the defeasance or redemption of the Local Bond.

**Section 6.3 Payments and Rights Assigned.** The Local Government hereby consents to VRA's assignment to the Trustee of VRA's rights under this Agreement and the Local Bond. The Local Government also hereby acknowledges and consents to the reservation by VRA of the right and license to enjoy and enforce VRA's rights under the Local Bond and this Agreement so long as no Event of Default (as defined in the Master Indenture) with respect to the Related Series of VRA Bonds has occurred and is continuing. Even though VRA will be the registered owner of the Local Bond, the Local Government shall pay directly to the Trustee all amounts payable by the Local Government under the Local Bond and this Agreement (except for those amounts specifically indicated as payable to VRA under Section 6.1 or Section 11.8, which the Local Government shall pay directly to VRA).

**Section 6.4 Obligations Absolute and Unconditional.** The obligation of the Local Government to make the payments required by the Local Bond and this Agreement from the sources pledged therefor shall be absolute and unconditional. The Local Government shall pay all such amounts without abatement, diminution or deduction (whether for taxes or otherwise) regardless of any cause or circumstance whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim that the Local Government may have or assert against VRA, the Trustee or any other person.

## **ARTICLE VII OPERATION AND USE COVENANTS**

**Section 7.1 Maintenance.** At its own cost and expense the Local Government shall operate the System in a proper, sound and economical manner in compliance with all legal requirements and shall maintain the System in good repair and operating condition and from time to time shall make all necessary repairs, renewals and replacements.

**Section 7.2 Additions and Modifications.** At its own expense the Local Government from time to time may make any renewals, replacements, additions, modifications or improvements to the System that the Local Government deems desirable, provided that any such renewal, replacement, addition, modification or improvement does not (i) materially reduce the value of the System or (ii) negatively affect the structural or operational integrity of any part of the System. The Local Government shall ensure that all such renewals, replacements, additions, modifications or improvements comply with all applicable federal, state and local laws, rules, regulations, orders, permits, authorizations and requirements. All such renewals, replacements, additions, modifications and improvements shall become part of the System.

**Section 7.3 Permits.** The Local Government shall, at its sole cost and expense, obtain all permits, consents and approvals required by local, state or federal laws, ordinances, rules, regulations or requirements in connection with the acquisition, construction, equipping, occupation, operation or use of the System. The Local Government shall, upon request, promptly furnish to VRA and the Trustee copies of all such permits, consents and approvals.

**Section 7.4 Use.** The Local Government shall comply with all lawful requirements of any governmental authority regarding the System, whether now existing or subsequently enacted, whether foreseen or unforeseen or whether involving any change in governmental policy or



requiring structural, operational or other changes to the System, irrespective of the cost of making the same.

**Section 7.5 Inspection and Local Government's Books and Records.** The Local Government shall permit VRA, the Trustee and their duly authorized representatives and agents such reasonable rights of access to the System as may be necessary to determine whether the Local Government is in compliance with the requirements of this Agreement, and the Local Government shall permit such parties, at all reasonable times and upon reasonable prior notice to the Local Government, to examine and copy the Local Government's books and records that relate to the System.

**Section 7.6 Ownership.** The Local Government shall not construct, reconstruct or install any part of the System on (i) lands other than those which the Local Government owns or can acquire title to or a perpetual easement over, in either case sufficient for the Local Government's purposes or (ii) lands in which the Local Government has acquired a right or interest less than a fee simple or perpetual easement, unless (1) such part of the System is lawfully located in a public street or highway or (2) the Local Government provides a written opinion of counsel or a report of a Qualified Independent Consultant, either of which in a form reasonably acceptable to VRA, that indicates that the lands and the Local Government's right or interest therein is sufficient for the Local Government's purposes.

**Section 7.7 Sale or Encumbrance.** No part of the System shall be sold, exchanged, leased, mortgaged, encumbered or otherwise disposed of except (i) with the written consent of VRA or (ii) as provided in any one of the following subsections:

(a) The Local Government may grant easements, licenses or permits across, over or under parts of the System for streets, roads and utilities as will not adversely affect the use of the System.

(b) The Local Government may sell or otherwise dispose of property constituting part of the System if it uses the proceeds of such disposition and any other necessary funds to replace such property with property serving the same or a similar function.

(c) The Local Government may sell or otherwise dispose of property constituting part of the System with a "book value" (as determined in accordance with generally accepted accounting principles) that, when combined with the aggregate "book value" of all of the other such property sold or otherwise disposed of under this subsection during the Fiscal Year in question, will not cause the aggregate "book value" of all of such property sold or otherwise disposed of under this subsection in such Fiscal Year to exceed \$125,000. The proceeds to be received from any such sale or disposition shall be applied first to cure any default that may exist in the payment of the principal of or interest on the Local Bond.

(d) The Local Government may otherwise sell or dispose of property constituting part of the System if there is filed with VRA a certificate of the Consulting Engineer stating that such property is not necessary or useful to the operation of the System. The proceeds



to be received from any such sale or disposition shall be applied first to cure any default that may exist in the payment of the principal of or interest on the Local Bond.

**Section 7.8 Collection of Revenues.** The Local Government shall use its best efforts to collect all rates, fees and other charges due to it, including, without limitation, the perfection of liens on premises served by the System for the amount of all delinquent rates, fees and other charges where such action is permitted by law. The Local Government shall, to the full extent permitted by law, prevent access to the services and facilities of the System to users of the System who are delinquent beyond any customary grace periods in the payment of rates, fees and other charges due to the Local Government.

**Section 7.9 No Free Service.** Except as otherwise required by law and as described on Exhibit H, the Local Government shall not permit connection with or the use of the System, or furnish any services afforded by the System, without making a charge therefor based on the Local Government's uniform schedule of rates, fees and charges.

**Section 7.10 No Competing Service.** To the extent permitted by law, the Local Government agrees not to provide, grant any franchise to provide or give consent for anyone else to provide, any services which would compete with the System.

**Section 7.11 Mandatory Connection.** To the extent permitted by law, the Local Government shall adopt and enforce rules and regulations, consistent with applicable laws, requiring the owner, tenant or occupant of each lot or parcel of land which is served or may reasonably be served by the System and upon which lot or parcel a building shall have been constructed for residential, commercial or industrial use, to connect such building to the System, provided, however, that such rules and regulations may permit the continued use of private water or sewage disposal systems approved by the applicable board of health or health officer by any such building already in existence at the time the services of the System become available to it upon such conditions as may be specified in such rules and regulations or until such time as such approved private water or sewage disposal system shall cease to be approved or shall require major repairs to continue to be approved, at which time such building shall be required to connect to the System.

**Section 7.12 Lawful Charges.** The Local Government shall pay when due all taxes, fees, assessments, levies and other governmental charges of any kind whatsoever (collectively, the "Governmental Charges") which are (i) assessed, levied or imposed against the System or the Local Government's interest in it, or (ii) incurred in the operation, maintenance, use and occupancy of the System. The Local Government shall pay or cause to be discharged, or shall make adequate provision to pay or discharge, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon all or any part of the System or the Revenues (collectively, the "Mechanics' Charges"). The Local Government, however, after giving VRA 10 days' notice of its intention to do so, at its own expense and in its own name, may contest in good faith any Governmental Charges or Mechanics' Charges. If such a contest occurs, the Local Government may permit the same to remain unpaid during the period of the contest and any subsequent appeal unless, in VRA's reasonable opinion, such action may impair the lien on Revenues granted by this Agreement, in which event, such Governmental Charges or Mechanics'



Charges promptly shall be satisfied or secured by posting with the Trustee or an appropriate court a bond in form and amount satisfactory to VRA. Upon request, the Local Government shall furnish to VRA proof of payment of all Governmental Charges and Mechanics' Charges the Local Government is required to pay under this Agreement.

**Section 7.13 Construction Contractors.** The Local Government shall cause each general construction contractor employed in the accomplishment of the Project to furnish a performance bond and a payment bond each in an amount equal to 100% of the particular contract price. Such bonds must list the Local Government, VRA and the Trustee as beneficiaries. Neither VRA nor the Trustee shall make any claims or exercise any rights under such bonds unless and until an Event of Default occurs. The Local Government shall maintain or cause each contractor to maintain during the construction period covered by the particular construction contract builder's risk insurance, workmen's compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Consulting Engineer.

**Section 7.14 Engineering Services.** The Local Government shall retain or employ a Consulting Engineer to provide engineering services covering the operation of the System.

## **ARTICLE VIII INSURANCE, DAMAGE AND DESTRUCTION**

**Section 8.1 Insurance.** The Local Government shall maintain or cause to be maintained insurance against such risks as are customarily insured against by systems similar in size and character to the System, including, without limitation:

(a) Insurance in the amount of the full replacement cost of the System's insurable portions against loss or damage by fire and lightning, with broad form extended coverage endorsements covering damage by windstorm, explosion, aircraft, smoke, sprinkler leakage, vandalism, malicious mischief and such other risks as are normally covered by such endorsements (limited only as may be provided in the standard form of such endorsements at the time in use in Virginia). The determination of replacement cost shall be made, in conjunction with representatives of the Local Government, by a recognized appraiser or insurer selected by the Local Government and reasonably acceptable to VRA.

(b) Comprehensive general liability insurance with a combined single limit of \$1,000,000 per year against liability for bodily injury, including death resulting therefrom, and for damage to property, including loss of its use, arising out of the ownership, maintenance, operation or use of the System.

(c) Unless the Local Government qualifies as a self-insurer under Virginia law, worker's compensation insurance.

Neither VRA nor the Trustee shall have any responsibility or obligation with respect to (i) the procurement or maintenance of insurance or the amounts or the provisions with respect to policies of insurance or (ii) the application of the proceeds of insurance.



The Local Government shall provide annually to VRA a certificate or certificates of the respective insurers evidencing the fact that the insurance required by this Section is in force and effect.

**Section 8.2 Requirements of Policies.** The Local Government shall maintain all insurance required by Section 8.1 with generally recognized responsible insurance companies selected by the Local Government and reasonably acceptable to VRA. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other utility systems of like size and character to the System. If the Local Government does not maintain such insurance with an insurer licensed to do business in Virginia or placed under the requirements of the Virginia Surplus Lines Insurance Law, Chapter 48, Title 38.2, Code of Virginia of 1950, as amended, or any successor statute, the Local Government shall provide evidence reasonably satisfactory to VRA that such insurance is enforceable under Virginia law.

**Section 8.3 Notice of Damage, Destruction or Condemnation.** In case of (i) any damage to or destruction of any material part of the System, (ii) a taking of all or any part of the System or any right in it under the exercise of the power of eminent domain, (iii) any loss of the System because of failure of title or (iv) the commencement of any proceedings or negotiations which might result in such a taking or loss, the Local Government shall notify VRA in writing within ten Business Days of the occurrence describing generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

**Section 8.4 Damage and Destruction.** If all or any part of the System is destroyed or damaged by fire or other casualty, and the Local Government shall not have exercised its option, if such option is available, to redeem the outstanding Local Bond pursuant to Section 6.2, the Local Government shall restore promptly the property damaged or destroyed to substantially the same condition as before such damage or destruction, with such alterations and additions as the Local Government may determine and which will not impair the capacity or character of the System for the purposes for which it then is being used or is intended to be used. The Local Government may apply so much as may be necessary of the net proceeds of insurance received on account of any such damage or destruction to payment of the cost of such restoration, either on completion or as the work progresses. If such net proceeds are not sufficient to pay in full the cost of such restoration, the Local Government shall pay so much of the cost as may be in excess of such net proceeds.

**Section 8.5 Condemnation and Loss of Title.** If title to or the temporary use of all or any part of the System shall be taken under the exercise of the power of eminent domain or lost because of failure of title, and the Local Government shall not have exercised its option, if such option is available, to redeem the outstanding Local Bond pursuant to Section 6.2, the Local Government shall cause the net proceeds from any such condemnation award or from any title insurance to be applied to the restoration of the System to substantially its condition before the exercise of such power of eminent domain or failure of title. If such net proceeds are not sufficient to pay in full the cost of such restoration, the Local Government shall pay so much of the cost as may be in excess of such net proceeds.



## ARTICLE IX SPECIAL COVENANTS

**Section 9.1 Tax Covenants.** The Local Government shall not directly or indirectly use or permit the use of any of the proceeds of the Local Bond or any other of its funds, in such manner as would, or enter into, or allow any other person or entity to enter into, any arrangement, formal or informal, that would, or take or omit to take any other action that would, cause interest on any of the Related Series of VRA Bonds to be includable in gross income for federal income tax purposes or to become a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Insofar as the Local Tax Document imposes duties and responsibilities on the Local Government, including the payment of any arbitrage rebate in respect of the Related Series of VRA Bonds, as of the Closing Date they are specifically incorporated by reference into this Agreement. The Local Government also consents to the calculation of any "rebate amount" to be paid with respect to the Related Portion of VRA Bonds by a rebate calculation service selected by VRA.

**Section 9.2 Maintenance of Existence.** The Local Government shall maintain its existence as a public body corporate and politic and a political subdivision of the Commonwealth of Virginia under Virginia law, and shall not dissolve or otherwise dispose of all or substantially all of its assets or consolidate or merge with or into another entity without VRA's prior written consent, which consent will not be unreasonably withheld.

**Section 9.3 Financial Records and Statements.** The Local Government shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted government accounting standards, consistently applied, of all its business and affairs. The Local Government shall have an annual audit of the financial condition of the Local Government made by an independent certified public accountant, within 180 days after the end of each Fiscal Year. The annual audit shall include a supplemental schedule demonstrating whether the Local Government satisfied the rate covenant set forth in Section 5.2. The Local Government shall furnish to VRA, in an electronic format, a copy of such report immediately after it is accepted by the Local Government. Such report shall include statements in reasonable detail, certified by such accountant, reflecting the System's financial position as of the end of such Fiscal Year and the results of the System's operations and changes in the financial position thereof for the Fiscal Year.

**Section 9.4 Certification as to No Default and Tax Compliance.** The Local Government shall deliver to VRA, within 180 days after the close of each Fiscal Year, a certification in substantially the form attached as Exhibit G and signed by a Local Representative.

**Section 9.5 Further Assurances.** The Local Government shall to the fullest extent permitted by law pass, make, do, execute, acknowledge and deliver such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming the rights and collateral, if any, assigned or pledged by this Agreement, or as may be required to carry out the purposes of this Agreement. The Local Government shall at all times, to the fullest extent permitted by law, defend, preserve and protect the pledges made under this Agreement and all rights of VRA under this



Agreement against all claims and demands of all persons, including without limitation the payment of certain costs of VRA as described in Section 6.1(a)(5).

**Section 9.6 Assignment by Local Government.** The Local Government shall not assign its rights and obligations under the Local Bond or this Agreement, or both, without the prior written consent of VRA.

**Section 9.7 Continuing Disclosure.** (a) For purposes of this Section 9.7, the following terms and phrases have the following meanings:

**"Annual Financial Information"** with respect to any Fiscal Year for the Local Government means the following:

(i) the financial statements (consisting of at least a balance sheet and a statement of revenues and expenses) of the System, which financial statements must be (A) prepared annually in accordance with generally accepted accounting principles in effect from time to time consistently applied (provided that nothing in this clause (A) will prohibit the Local Government after the date of this Agreement from changing such other principles so as to comply with generally accepted accounting principles as then in effect or to comply with a change in applicable law) and (B) audited by an independent certified public accountant or firm of such accountants in accordance with generally accepted auditing standards as in effect from time to time (provided that if audited financial statements are not available for filing when required by this Section or the Rule (as defined herein), unaudited financial statements will be filed and audited financial statements will be filed as soon as possible thereafter); and

(ii) operating data of the type set forth in Exhibit E.

**"Dissemination Agent"** means any person, reasonably acceptable to VRA, whom the Local Government contracts in writing to perform its obligations as provided in subsection (i) of this Section.

**"Financial Obligation"** means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

**"Make Public" or "Made Public"** has the meaning set forth in subsection (c) of this Section.

**"Material Local Government"** means the Local Government if the aggregate outstanding principal amount of the Local Bond and any other of the Local Government's local bonds purchased with proceeds of the VRA Bonds represent 15% or more of the outstanding aggregate principal amount of the local bonds purchased with proceeds of the VRA Bonds.

**"Rule"** means Rule 15c2-12, as it may be amended from time to time, under the Securities Exchange Act of 1934 and any similar rules of the SEC relating to disclosure requirements in the offering and sale of municipal securities, all as in effect from time to time.

**"SEC"** means the U.S. Securities and Exchange Commission.

(b) The Local Government shall Make Public or cause to be Made Public:

(1) Within seven months after the end of the Local Government's Fiscal Year (commencing with the Fiscal Year in which the Closing Date occurs), Annual Financial Information for such Fiscal Year as of the end of which the Local Government constitutes a Material Local Government. Annual Financial Information may be set forth in the documents Made Public or may be included in a document Made Public by specific reference to any document available to the public on the internet website of the Municipal Securities Rulemaking Board ("MSRB") or filed with the SEC. If the document referred to is a final official statement, then it must be available from the MSRB.

(2) In a timely manner, notice of any failure by the Local Government to Make Public or cause to be Made Public Annual Financial Information pursuant to the terms of part (1) of this subsection.

(c) For purposes of this Section, information and notices shall be deemed to have been "Made Public" if transmitted to VRA, to the Trustee and to the MSRB in an electronic format as prescribed by the MSRB.

(d) The Local Government shall also notify VRA of the occurrence of any of the following events that may from time to time occur with respect to the Local Bond, such notice to be given in a timely manner not in excess of five Business Days after the occurrence of the event:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancement maintained with respect to the Local Bond reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 – TEB) or other notices or determinations with respect to the Local Bond that could



affect the tax status of the Related Series of VRA Bonds, or other events with respect to the Local Bond that could affect the tax status of the Related Series of VRA Bonds;

- (7) modifications to rights of holders;
- (8) bond calls and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Local Bond;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Local Government;
- (13) the consummation of a merger, consolidation, or acquisition involving the Local Government or the sale of all or substantially all of the assets of the Local Government, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms;
- (14) appointment of a successor or additional trustee for the Local Bond, if any, or the change of name of a trustee;
- (15) the failure of the Local Government on or before the date required by this Agreement to provide Annual Financial Information to the persons and in the manner required by this Agreement;
- (16) incurrence of a financial obligation of the Local Government, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Local Government, any of which affect security holders, if material; and
- (17) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Local Government, any of which reflect financial difficulties.

(e) Additionally, upon request of VRA, the Local Government shall certify in writing that it has made all filings and disclosures required under this Section or any similar undertaking pursuant to the Rule.

(f) Notwithstanding anything in this Agreement to the contrary, the Local Government need not comply with the provisions of subsections (a) through (d) above unless and until VRA has notified the Local Government that it satisfied the objective criteria for a Material Local Government as of the end of VRA's immediately preceding fiscal year.

(g) (1) If the Local Government fails to comply with any covenant or obligation set forth in this Section, any holder (within the meaning of the Rule) of VRA Bonds then Outstanding may, by notice to the Local Government, proceed to protect and enforce its rights and the rights of the other holders by an action for specific performance of the Local Government's covenants or obligations set forth in this Section.

(2) Notwithstanding anything herein to the contrary, any failure of the Local Government to comply with any disclosure obligation specified in this Agreement (i) shall not be deemed to constitute an Event of Default under this Agreement and (ii) shall not give rise to any right or remedy other than that described in part (1) of this subsection.

(h) The Local Government may from time to time disclose certain information and data in addition to that required under this Section. Notwithstanding anything in this Agreement to the contrary, the Local Government shall not incur any obligation to continue to provide, or to update, such additional information or data.

(i) The Local Government may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligation to cause to be Made Public the information described in this Section and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. It is not necessary for purposes of this Article that the Dissemination Agent have any agency relationship with the Local Government for purposes of state law.

(j) All documents Made Public under this Section shall be accompanied by identifying information as prescribed by the MSRB.

**Section 9.8 Other Indebtedness.** The Local Government shall pay when due all amounts required by any other indebtedness of the Local Government and perform all of its obligations in connection with all other indebtedness of the Local Government.

**Section 9.9 Additional Indebtedness.** The Local Government shall not incur any indebtedness or issue any bonds, notes or other evidences of indebtedness secured by a pledge of Revenues, except Parity Bonds or Subordinate Debt issued in accordance with the terms and conditions of this Section 9.9.

(a) The Local Government may issue Parity Bonds to (i) pay the cost of the acquisition or construction of improvements, extensions, additions or replacements to equipment or betterments of and any property, rights or easements deemed by the Local Government to be necessary, useful or convenient for the System or to refund Subordinate Debt, (ii) refund some or all of the Local Bond (subject to the conditions of Section 6.2) or any other Parity Bond or (iii) effect some combination of (i) and (ii), provided in each case the following conditions are satisfied. Before any Parity Bond is issued or delivered, the Local Government shall deliver to VRA the following in form and substance satisfactory to VRA:

(1) Certified copies of all resolutions and ordinances of the Local Government authorizing the issuance of the Parity Bond.



(2) A certificate of a Local Representative setting forth the purposes for which the Local Government is issuing the Parity Bond and the manner in which the Local Government will apply the proceeds from the issuance and sale of the Parity Bond.

(3) If the Parity Bond is authorized for any purpose other than the refunding of the Local Bond or other Parity Bond, a certificate including supporting documentation of a Qualified Independent Consultant to the effect that (i) the improvements or property which the proceeds from the issuance of the Parity Bond will finance or refinance will be a part of, or are necessary, useful or convenient for, the System, (ii) the funds available to the Local Government from the issuance of the Parity Bond and other specified sources will be sufficient to pay the estimated cost of such improvements or property (or refinancing the same), (iii) the period of time which will be required to complete such improvements or property, and (iv) (A) the failure to make such improvements or acquire or construct such property will result in an interruption or reduction, or the continuance of an interruption or reduction, of Revenues, or (B) during the first two complete Fiscal Years following the completion of the improvements or the acquisition or construction of the property (or refinancing the same), the projected Net Revenues Available for Debt Service will satisfy the rate covenant of Section 5.2 (excluding payments under the Support Agreement). In providing this certificate, the Qualified Independent Consultant may take into consideration future System rate increases, provided that such rate increases have been duly approved by the Local Government's governing body and any other person and entity required to give approval for the rate increase to become effective. In addition, the Qualified Independent Consultant may take into consideration additional future Revenues to be derived under then existing contractual agreements entered into by the Local Government and from reasonable estimates of growth in the Local Government's customer base. In providing the certification in subsection (iv)(B) above, the Qualified Independent Consultant shall include supporting documentation.

(4) If the Parity Bond is authorized solely to refund any Local Bond or other Parity Bonds either (i) a certificate or report of a Qualified Independent Consultant that the refunding Parity Bond will have annual debt service requirements in each of the years the Local Bond or the other Parity Bonds to be refunded (the "Refunded Bonds") would have been outstanding that is lower than the annual debt service requirements in each such year on the Refunded Bonds, or (ii) a certificate of a Qualified Independent Consultant to the effect that in its opinion, during the first two complete Fiscal Years following the issuance of the refunding Parity Bond, the projected Net Revenues Available for Debt Service will satisfy the rate covenant of Section 5.2. In providing the certificate described in clause (ii), the Qualified Independent Consultant may take into account the positive factors described in the last two sentences of subsection (a)(3) of this Section.

(5) If requested by VRA, an opinion of a nationally-recognized bond counsel, subject to customary exceptions and qualifications, approving the form of the resolution authorizing the issuance of the Parity Bond and stating that its terms and provisions conform with the requirements of this Agreement, that the certificates and documents delivered to VRA constitute compliance with the provisions of this Section, and

that the issuance of the Parity Bond will have no adverse effect on the exclusion of the interest on the Related Series of VRA Bonds from gross income for federal income tax purposes and not cause interest on the Related Series of VRA Bonds to become a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

(b) If the Local Government is unable or unwilling to satisfy the conditions set forth in subsection (b) to the issuance and delivery of any issue of Parity Bonds, VRA may determine, in its sole discretion, to waive any or all of such conditions.

**Section 9.10 Litigation; Material Change.** The Local Government shall promptly notify VRA of (i) the existence and status of any litigation that the County Attorney or the general counsel of the Local Government determines is not reasonably certain to have a favorable outcome and which individually or in the aggregate could have a material adverse effect on the financial condition or operations of the System or its ability to perform its payment and other obligations under this Agreement or the Local Bond or (ii) any change in any material fact or circumstance represented or warranted in this Agreement.

## **ARTICLE X DEFAULTS AND REMEDIES**

**Section 10.1 Events of Default.** Each of the following events is an "Event of Default":

(a) The failure to pay any installment of principal of or premium, if any, on the Local Bond when due (whether at maturity, by mandatory or optional redemption, by acceleration or otherwise).

(b) The failure to pay any installment of interest (including Supplemental Interest) on the Local Bond when due.

(c) The failure to make any other payment or deposit required by this Agreement within 15 days after its due date.

(d) The Local Government's failure to perform or observe any of the other covenants, agreements or conditions of the Local Bond or this Agreement and the continuation of such failure for a period of 60 days after written notice specifying such failure and requesting that it be cured is given to the Local Government by VRA, or, in the case of any such failure which cannot with diligence be cured within such 60-day period, the Local Government's failure to proceed promptly to commence to cure the failure and thereafter to prosecute the curing of the failure with diligence.

(e) Any warranty, representation or other statement by or on behalf of the Local Government contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement or in connection with the issuance and sale of the Local Bond is false and misleading in any material respect.



(f) Any bankruptcy, insolvency or other similar proceeding shall be instituted by or against the Local Government under any federal or state bankruptcy or insolvency law and, if instituted against the Local Government, is not dismissed within 60 days after filing.

(g) Any proceeding shall be instituted, with the Local Government's consent or acquiescence, for the purpose of effecting a composition between the Local Government and its creditors or for the purpose of adjusting such creditors' claims under any federal or state statute now or hereafter enacted, if such claims are under any circumstances payable from the Revenues.

(h) An order or decree shall be entered, with the Local Government's consent or acquiescence, appointing a receiver or receivers of the System or any part of it or of the Revenues, or if such order or decree, having been entered without the Local Government's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within 60 days after its entry.

(i) The occurrence of a default by the Local Government under the terms of any debt secured by a pledge of Revenues and the failure to cure such default or obtain a waiver thereof within any period of time permitted thereunder.

**Section 10.2 Acceleration.** Upon the occurrence and continuation of an Event of Default, VRA may, by notice in writing delivered to the Local Government, declare the entire unpaid principal of and interest on the Local Bond due and payable. Upon any such declaration, the Local Government shall immediately pay to the Trustee the entire unpaid principal of and accrued interest on the Local Bond, but only from the collateral and other funds specifically pledged hereby. VRA may in its discretion waive an Event of Default and its consequences and rescind any acceleration of maturity of principal of and interest on the Local Bond.

**Section 10.3 Other Remedies.** Upon the occurrence and continuation of an Event of Default, VRA may proceed to protect and enforce its rights by mandamus or other action, suit or proceeding at law or in equity for specific performance of any agreement contained in the Local Bond or this Agreement. No remedy conferred by this Agreement upon or reserved to the registered owners of the Local Bond is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to VRA under this Agreement or now or hereafter existing at law or in equity or by statute.

**Section 10.4 Delay and Waiver.** No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence in it, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default under this Agreement shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent to it.

## **ARTICLE XI MISCELLANEOUS**

**Section 11.1 State Aid Intercept.** The Local Government acknowledges that VRA has covenanted under the Master Indenture to take any and all actions available to it under the laws of



the Commonwealth, including the invocation of the "state-aid intercept" provisions of Section 62.1-216.1 of the Act, to obtain any payment of the principal of and premium, if any, and interest on the Local Bond the County fails to make under the Support Agreement.

**Section 11.2 Successors and Assigns.** This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 11.3 Amendments.** VRA and the Local Government shall have the right to amend from time to time any of this Agreement's terms and conditions, provided that all amendments shall be in writing and shall be signed by or on behalf of VRA and the Local Government.

**Section 11.4 Limitation of Local Government's Liability.** Notwithstanding anything in the Local Bond or this Agreement to the contrary, the Local Government's obligations hereunder and under the Local Bond are not its general obligations, but are limited obligations payable solely from the Revenues which are specifically pledged for such purpose. Neither the Local Bond nor this Agreement shall be deemed to create or constitute a debt or a pledge of the faith and credit of the Local Government and the Local Government shall not be obligated to pay the principal of or premium, if any, or interest on the Local Bond or other costs incident to them except from the Revenues and other funds pledged for such purpose. In the absence of fraud or intentional misconduct, no present or future director, official, officer, employee or agent of the Local Government shall be liable personally to VRA in respect of this Agreement or the Local Bond or for any other action taken by such individual pursuant to or in connection with the financing provided for in this Agreement or the Local Bond.

**Section 11.5 Applicable Law.** This Agreement shall be governed by Virginia law.

**Section 11.6 Severability.** If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of VRA and the Local Government, as the case may be, only to the extent permitted by law.

**Section 11.7 Notices.** Unless otherwise provided for herein, all demands, notices, approvals, consents, requests, opinions and other communications under the Local Bond or this Agreement shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the Local Government, at the address specified for notices on the signature page; (b) if to VRA, at 1111 East Main Street, Suite 1920, Richmond, Virginia 23219, Attention: Executive Director; or (c) if to the Trustee, at 1021 East Cary Street, 18<sup>th</sup> Floor, Richmond, Virginia 23219, Attention: Corporate Trust Department. A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given by any party named in this Section shall also be given to each of the other parties named. VRA, the Local Government and the Trustee may designate, by notice given hereunder, any further or different addresses to which subsequent demands, notices,



approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

**Section 11.8 Right to Cure Default.** If the Local Government fails to make any payment or to perform any act required by it under the Local Bond or this Agreement, VRA or the Trustee, without prior notice to or demand upon the Local Government and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by VRA or the Trustee and all costs, fees and expenses so incurred shall be payable by the Local Government as an additional obligation under this Agreement, together with interest thereon at the rate of 15% per year until paid. The Local Government's obligation under this Section shall survive the payment of the Local Bond.

**Section 11.9 Term of Agreement.** This Agreement is effective as of the Effective Date. Except as otherwise specified, the Local Government's obligations under the Local Bond and this Agreement shall expire upon payment in full of the Local Bond and all other amounts payable by the Local Government under this Agreement.

**Section 11.10 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

[Signature Pages Follow]

**WITNESS** the following signatures, all duly authorized.

**VIRGINIA RESOURCES AUTHORITY**

By: \_\_\_\_\_  
Stephanie L. Hamlett, Executive Director



[SEAL]

**GREENSVILLE COUNTY WATER AND SEWER  
AUTHORITY**

By: \_\_\_\_\_  
Raymond L. Bryant  
Chairman

Address for Notices:

1781 Greenville County Circle  
Emporia, Virginia 23847  
Attention: County Administrator

The Trustee, by the execution hereof, accepts the duties imposed on it by this Agreement.

**U.S. BANK NATIONAL ASSOCIATION**, as  
Trustee

By: \_\_\_\_\_  
Patricia A. Welling, Vice President and  
Corporate Municipal Trust Manager



**EXHIBIT A**  
**FORM OF LOCAL BOND**

**EXHIBIT B**

**DESCRIPTION OF THE PROJECT**

[To be provided by Local Government]



**EXHIBIT C**

**PENDING OR THREATENED ACTIONS, SUITS, PROCEEDINGS, OR  
INVESTIGATIONS**

[To be provided by Local Government]

**EXHIBIT D**  
**FORM OF REQUISITION**

Requisition No.

Date: \_\_\_\_\_, 2019

U.S. Bank National Association, as Trustee  
Attention: Corporate Trust Department  
1021 East Cary Street  
18<sup>th</sup> Floor  
Richmond, Virginia 23219

Virginia Resources Authority  
1111 East Main Street  
Suite 1920  
Richmond, Virginia 23219  
Attention: Executive Director

This Requisition, including Schedule 1 and Schedule 2 hereto, is submitted in connection with the Local Bond Sale and Financing Agreement dated as of June 21, 2019 (the "Financing Agreement") between the Virginia Resources Authority and the Greensville County Water and Sewer Authority (the "Local Government"). Unless otherwise defined in this Requisition, each capitalized term used herein has the meaning given it under Article I of the Financing Agreement. The undersigned Local Representative hereby requests payment of the following amounts from the Local Account established for the Local Government in the 2019B Acquisition Fund established under the Forty-Fifth Supplemental Series Indenture.

Payee (including wiring instructions if receiving electronic payment):

Address:

Amount to be paid:

Purpose (in reasonable detail) for which obligations(s) to be paid were incurred:



Attached on Schedule 2 are the wire instructions for this requisition, and also attached hereto is an invoice (or invoices) relating to the items for which payment is requested.

The undersigned certifies that (i) the amounts requested by this Requisition will be applied in accordance with the Local Tax Document and solely and exclusively to the payment, or the reimbursement of the Local Government for its payment, of Project Costs of the construction portion of the Project, (ii) no notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the money payable under the Requisition to any of the persons, firms or corporations named in it has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of the Requisition, and (iii) this Requisition contains no items representing payment on account of any retained percentage entitled to be retained at this date.

If this Requisition includes payments for labor or to contractors, builders or materialmen, the attached Certificate of Consulting Engineer must be completed. If this Requisition includes payments for any lands or easements, rights or interest in or relating to lands, the attached Certificate of the Consulting Engineer must be completed and there must be attached to this Requisition a certificate signed by a Local Representative stating that upon payment therefor the Local Government will have title in fee simple to, or easements, rights or interests sufficient for the purposes of the construction portion of the Project over or through such lands.

**The Local Government has agreed in the Financing Agreement that any amounts it receives pursuant to this Requisition will be (i) immediately applied to reimburse the Local Government for Project Costs it has already paid or (ii) actually spent to pay Project Costs not later than five banking days after receipt.**

---

Local Representative

# SCHEDULE 1

## Form to Accompany Requisition

Requisition # \_\_\_\_\_  
 Recipient: Greenville County Water and Sewer Authority – VRA 2019B  
 Local Representative: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

<u>Cost Category</u>	<u>Total Project Cost</u>	<u>Previous Disbursements</u>	<u>Disbursement This Period</u>	<u>Disbursements to Date</u>	<u>Remaining Balance</u>
	\$	\$	\$	\$	\$
TOTALS	\$	\$	\$	\$	\$



## SCHEDULE 2

### Wire Instructions for Requisition

[To be provided by the Local Government]

## **CERTIFICATE OF CONSULTING ENGINEER**

The undersigned Consulting Engineer for the Local Government hereby certifies that (i) insofar as the amounts covered by this Requisition include payments for labor or to contractors, builders or materialmen, such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the Project, and (ii) insofar as the amounts covered by the Requisition include payments for land or easements, rights or interests in or relating to lands, such lands, easements, rights or interests are being acquired and are necessary or convenient for the undertaking and completion of the Project.

Date: \_\_\_\_\_, 2019

\_\_\_\_\_  
Consulting Engineer

## **EXHIBIT E**

### **OPERATING DATA**

*Description of Local Government.* A description of the Local Government including a summary description of the System.

*Debt.* A description of the terms of the Local Government's outstanding debt including a historical summary of outstanding debt and a summary of annual debt service on outstanding debt as of the end of the preceding fiscal year. The annual disclosure should also include (to the extent not shown in the latest audited financial statements) a description of contingent obligations as well as pension plans administered by the Local Government and any unfunded pension liabilities.

*Financial Information and Operating Data.* Financial information for the System as of the end of the preceding fiscal year, including a description of revenues and expenditures, largest users, a summary of rates, fees and other charges of the System, and a historical summary of debt service coverage.



**EXHIBIT F**

**FORM OF OPINION OF COUNSEL TO THE LOCAL GOVERNMENT**

[Print on the Letterhead of Counsel for the Local Government]

August 14, 2019

Board of Directors  
Greensville County Water and Sewer Authority

Virginia Resources Authority  
Richmond, Virginia

Kaufman & Canoles, P.C.  
Richmond, Virginia

**\$[ ]**  
**Greensville County Water and Sewer Authority**  
**Water and Sewer System Revenue Bond, Series 2019B**

Ladies and Gentlemen:

We have acted as counsel to the Greensville County Water and Sewer Authority (the "Local Government"), in connection with the issuance and sale by the Local Government of its \$[ ] Water and Sewer System Revenue Bond, Series 2019B (the "Local Bond"), the net proceeds of which will be applied to finance the Project (as defined in the hereafter defined Financing Agreement) and in such capacity, we have examined, among other things, the following documents:

- (a) a certified copy of the Local Authorization, authorizing the issuance and sale of the Local Bond to Virginia Resources Authority ("VRA") to finance the Project;
- (b) a copy of the Local Bond Sale and Financing Agreement (the "Financing Agreement") dated as of June 21, 2019, and between the Local Government and VRA; and
- (c) a copy of the Local Tax Document and the Support Agreement.

The documents referred to in clauses (b) and (c) above are referred to collectively as the "Local Bond Documents."

We have also examined such other records and proceedings of the Local Government and conducted such investigations as we deemed appropriate and necessary for purposes of this opinion.

Unless otherwise defined, each capitalized term used in this opinion has the same meaning given to such term in the Financing Agreement.

As to questions of fact material to the opinions and statements set forth herein, we have relied upon representations of the Local Government set forth in the Local Bond Documents and other certificates and representations by persons including representatives of the Local Government. Whenever an opinion or statement set forth herein with respect to the existence or absence of facts is qualified by the phrase "to the best of our knowledge" or a phrase of similar import, it is intended to indicate that during the course of our representation of the Local Government in connection with the Local Bond Documents no information has come to our attention that should give us current actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, we have not undertaken any independent investigation of the existence or absence of such facts, and no inference as to our knowledge or the existence or absence of such facts should be drawn from the fact of our representation or any other matter.

Based upon such examination and assuming the authorization, execution, delivery and enforceability of all documents by parties other than the Local Government, we are of the opinion that:

1. The Local Government is a duly created and validly existing public body corporate and politic and a political subdivision of the Commonwealth of Virginia and is vested with the rights and powers conferred upon it by Virginia law.
2. The Local Government has full right, power and authority to (i) adopt the Local Authorization and execute and deliver the Local Bond Documents and all related documents, (ii) undertake the Project and (iii) carry out and consummate all of the transactions contemplated by the Local Authorization and the Local Bond Documents, including owning and operating the System.
3. The Local Bond Documents were duly authorized by the Local Authorization and the Financing Agreement is in substantially the same form as presented to the Governing Body at its meeting at which the Local Authorization was adopted.
4. All governmental permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the date hereof have been obtained for (i) the Local Government's adoption of the Local Authorization, (ii) the execution and delivery of the Local Bond Documents and the Local Bond, (iii) the Local Government's performance of its obligations under the Local Bond Documents and the Local Bond, and (iv) to the best of our knowledge, the operation and use of the System. We know of no reason why any such required governmental permits, licenses, registrations, certificates, authorizations or approvals cannot be obtained as required in the future.
5. The Financing Agreement has been executed and delivered by duly authorized officials of the Local Government and constitutes a legal, valid and binding obligation of the Local Government enforceable against the Local Government in accordance with its terms. The Local



Bond has been executed and delivered by duly authorized officials of the Local Government and will constitute a legal, valid and binding limited obligation of the Local Government enforceable against the Local Government in accordance with its terms.

The obligations of the Local Government under the Financing Agreement and the Local Bond, and the enforceability of such obligations, may be limited or otherwise affected by (i) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (ii) principles of equity, whether considered at law or in equity, (iii) the exercise of sovereign police powers of the Commonwealth of Virginia, and (iv) rules of law which may limit the enforceability on public policy grounds of any obligations of indemnification undertaken by the Local Government.

6. The issuance of the Local Bond and the execution and delivery of the Local Bond Documents and the performance by the Local Government of its obligations thereunder are within the powers of the Local Government and will not conflict with, or constitute a breach or result in a violation of (i) any federal or Virginia constitutional or statutory provision, (ii) to the best of our knowledge, any agreement or other instrument to which the Local Government is a party or by which it is bound or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Local Government or its property.

7. The Local Government, to the best of our knowledge, is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness for borrowed money has been incurred. To the best of our knowledge, no event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to the Financing Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

8. The Local Government (i) to the best of our knowledge, is not in violation of any existing law, rule or regulation applicable to it in any way which would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Bond or the Local Bond Documents and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Local Government is a party or by which it is bound or to which any of its assets is subject, which would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Bond and the Local Bond Documents. The execution and delivery by the Local Government of the Local Bond and the Local Bond Documents and the compliance with the terms and conditions thereof will not conflict with, result in a breach of or constitute a default under any of the foregoing.

9. Except as set forth in the Financing Agreement, there are not pending nor, to the best of our knowledge, threatened against the Local Government, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature (i) affecting the creation, organization or existence of the Local Government or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Local Authorization or the Local Bond Documents or the issuance or delivery



of the Local Bond, (iii) in any way contesting or affecting the validity or enforceability of the Local Bond, the Local Authorization, the Local Bond Documents or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Local Government or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Local Authorization, the Local Bond Documents or the Local Bond, or (v) affecting the undertaking of the Project.

Very truly yours,

## EXHIBIT G

### FORM OF CERTIFICATION AS TO NO DEFAULT AND TAX COMPLIANCE

[DATE]

[Insert Name]

Compliance & Financial Analyst  
Virginia Resources Authority  
1111 East Main Street, Suite 1920  
Richmond, VA 23219

Dear [Mr./Ms.] \_\_\_\_\_:

In accordance with Section 9.4 of the Local Bond Sale and Financing Agreement dated as of June 21, 2019 (the "Financing Agreement") between Virginia Resources Authority and the Greenville County Water and Sewer Authority (the "Local Government"), I hereby certify that, during the fiscal year that ended June 30, \_\_\_\_\_, and through the date of this letter:

1. [No event or condition has happened or existed, or is happening or existing, which constitutes, or which, with notice or lapse of time, or both, would constitute, an Event of Default as defined in Section 10.1 of the Financing Agreement.] [If an Event of Default has occurred, please specify the nature and period of such Event of Default and what action the Local Government has taken, is taking or proposes to take to rectify it].
2. [The ownership and status of all or a portion of the Related Financed Property has not changed since the Closing Date.] [If untrue, please describe.]
3. [Neither the Related Financed Property nor any portion thereof is being used by a Nongovernmental Person pursuant to a lease, an incentive payment contract or a take-or-pay or other output-type contract.] [If untrue, please describe.]
4. [Neither the Related Financed Property nor any portion or function thereof is being used pursuant to or is otherwise subject to a Service Contract that does not satisfy the requirements of Revenue Procedure 2017-13.] [If untrue, please describe.]
5. [Other than as may be described in paragraphs 2, 3 and 4 above, neither the Related Financed Property nor any portion or function thereof nor any portion of the Proceeds is being used for a Private Business Use.] [If untrue, please describe.]

6. [The Local Government has not used or permitted the use of any Proceeds of the Local Bond directly or indirectly to make a loan to an ultimate borrower other than itself within the meaning of Section 4.3 of the Local Tax Document.] [If untrue, please describe.]
7. [Other than any amounts described in the Local Tax Document (as defined in the Financing Agreement), between VRA and the Local Government and amounts that may constitute or be on deposit in a Bona Fide Debt Service Fund, there neither have been nor are now any moneys, securities, obligations, annuity contracts, residential rental property, AMT Bonds, investment-type property, Sinking Funds, Pledged Funds, or other Replacement Proceeds accumulated or held or pledged as security by the Local Government or any other Substantial Beneficiary of the Local Bond as security for or the direct or indirect source of the payment of the principal of or interest on the Local Bond.] [If untrue, please describe.]
8. [The Local Government is in compliance with the recordkeeping requirements of Section 4.9 of the Local Tax Document.] [If untrue, please describe.]
9. [Other than as may be described above, the Local Government is not in default of any of its obligations under the Local Tax Document.] [If untrue, please describe.]
10. Unless otherwise defined herein, each capitalized term used herein has the meaning set forth in the Local Tax Document.

Sincerely,

[Insert Name]  
Local Representative



**EXHIBIT H**  
**DESCRIPTION OF SPECIAL USE ARRANGEMENTS**

[To be provided]

**EXHIBIT I**  
**FORM OF ANNUAL BUDGET**

[DATE]

Executive Director  
Virginia Resources Authority  
1111 East Main Street, Suite 1920  
Richmond, VA 23219

Ladies and Gentlemen:

Pursuant to the Financing Agreement[s] between Virginia Resources Authority and the Greensville County Water and Sewer Authority, dated as of [add dates of all outstanding Financing Agreements], a copy of the fiscal year [20xx] annual budget is enclosed. Such annual budget provides for the satisfaction of the rate covenant as demonstrated below.

Revenues	Operation & Maintenance Expenses	Net Revenues Available	Debt Service	*Coverage
		for Debt Service (Revenues – O&M Expenses)		(Net Revenues Available for Debt Service/Debt Service)

Unless otherwise defined herein, the capitalized terms used in this Certificate shall have the meanings set forth in the Financing Agreement.

Very truly yours,

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT J**

**EXISTING PARITY BONDS**

[To be provided by Local Government]



## **SCHEDULE 1.1**

[To be provided]

**ADDITIONAL CONDITIONS PRECEDENT TO PURCHASE OF LOCAL BOND:**

[To be provided]

**ADDITIONAL CONDITIONS PRECEDENT TO FIRST REQUISITION OF PROCEEDS  
OF LOCAL BOND:**

[To be provided]

## **PROJECT BUDGET**

[To be provided]

## **INTEREST RATES AND PAYMENT SCHEDULE FOR LOCAL BOND**

[To be provided]



**SUPPORT AGREEMENT  
GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**

This **SUPPORT AGREEMENT** is made as of August 14, 2019, between the **BOARD OF SUPERVISORS OF GREENSVILLE COUNTY, VIRGINIA** (the "Board"), acting as the governing body of Greensville County, Virginia (the "County"), **GREENSVILLE COUNTY WATER AND SEWER AUTHORITY** ("GCWSA"), and the **VIRGINIA RESOURCES AUTHORITY** ("VRA"), as purchaser of the Local Bond, as hereinafter defined, pursuant to a Financing Agreement, as hereinafter defined.

**RECITALS**

**WHEREAS**, GCWSA was created by the Board pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) and owns and operates the water and wastewater systems in the County (as more particularly defined in the Financing Agreement, the "System"); and

**WHEREAS**, GCWSA has determined that it is in its best interest to issue and sell its Water and Sewer System Revenue Bond, Series 2019, in the original principal amount of \$[ ] (the "Local Bond") to VRA pursuant to the terms of a Local Bond Sale and Financing Agreement dated as of June 21, 2019 (the "Financing Agreement"), between GCWSA and VRA to finance the construction of the Skippers Wastewater Treatment Plant and issuance costs in connection with such financing (collectively, the "Project"); and

**WHEREAS**, the Board adopted on June 17, 2019, a resolution authorizing, among other things, the execution of an agreement providing for a non-binding obligation of the Board to consider certain appropriations in support of the Local Bond and the Project; and

**AGREEMENT**

**NOW, THEREFORE**, for and in consideration of the issuance of the Local Bond by the GCWSA, the purchase of the Local Bond by VRA and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. Unless otherwise defined, each capitalized term used in this Agreement (this "Agreement") shall have the meaning given it in the Financing Agreement.
2. GCWSA shall use its best efforts to issue the Local Bond and to use the proceeds thereof to finance the costs of the Project.
3. No later than May 15 of each year, beginning May 15, 2020, GCWSA shall notify the Board of the amount (the "Annual Deficiency Amount") by which GCWSA reasonably expects the Revenues to be insufficient to pay (i) the debt service obligations under the Financing Agreement and the Local Bond, (ii) the Operation and Maintenance Expenses, and (iii) any other payments due and owing by GCWSA under the Financing Agreement (the "Additional Payments") in full as and when due during the County's fiscal year beginning the following July 1.

4. The County Administrator of the County (the "County Administrator") shall include the Annual Deficiency Amount in his budget submitted to the Board for the following fiscal year as an amount to be appropriated to or on behalf of GCWSA. The County Administrator shall deliver to VRA within 10 days after the adoption of the County's budget for each fiscal year, but not later than July 15 of each year, a certificate stating whether the Board has appropriated to or on behalf of GCWSA an amount equal to the Annual Deficiency Amount.

5. If at any time Revenues shall be insufficient to make any of the payments referred to in paragraph 3 hereof, GCWSA shall notify the County Administrator and VRA of the amount of such insufficiency and the County Administrator shall request a supplemental appropriation from the Board in the amount necessary to make such payment.

6. The County Administrator shall present each request for appropriation pursuant to paragraph 5 above to the Board, and the Board shall consider such request at the Board's next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. Promptly after such meeting, the County Administrator shall notify VRA as to whether the amount so requested was appropriated. If the Board shall fail to make any such appropriation, the County Administrator shall add the amount of such requested appropriation to the Annual Deficiency Amount reported to the County by the County Administrator for the County's next fiscal year.

7. The Board hereby undertakes a non-binding obligation to appropriate such amounts as may be requested from time to time pursuant to paragraphs 4 and 5 above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The Board, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Boards of Supervisors do likewise.

8. The Board and GCWSA acknowledge that (i) the Local Bond may be payable from and will be secured by amounts derived pursuant to this Agreement, (ii) VRA would not purchase the Local Bond without the security and credit enhancement provided by this Agreement, and (iii) VRA is treating this Agreement as a "local obligation" within the meaning of Section 62.1-199 of the Code of Virginia of 1950, as amended (the "Virginia Code"), which in the event of a nonpayment hereunder authorizes VRA or the Trustee to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. In purchasing the Local Bond, VRA is further relying on Section 62.1-216.1 of the Virginia Code, which provides that if the Governor is satisfied that the nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth of Virginia to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.

9. Nothing herein contained is or shall be deemed to be a lending of the credit of the County to GCWSA, VRA or to any holder of the Local Bond or to any other person, and nothing



herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything herein contained legally bind or obligate the Board to appropriate funds for the purposes described herein.

10. Any notices or requests required to be given hereunder shall be deemed given if sent by registered or certified mail, postage prepaid, addressed (i) if to the County, to 1781 Greensville County Circle, Emporia, Virginia 23847, Attention: County Administrator, (ii) if to GCWSA, to 1781 Greensville County Circle, Emporia, Virginia 23847, Attention: Executive Director, and (iii) if to VRA, to 1111 East Main Street, Suite 1920, Richmond, Virginia 23219, Attention: Executive Director. Any party may designate any other address for notices or requests by giving notice.

11. It is the intent of the parties hereto that this Agreement shall be governed by the laws of the Commonwealth of Virginia.

12. This Agreement shall remain in full force and effect until the Local Bond and all other amounts payable by GCWSA under the Financing Agreement have been paid in full.

13. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



**IN WITNESS WHEREOF**, the parties hereto have each caused this Agreement to be executed in their respective names as of the date first above written.

**BOARD OF SUPERVISORS OF  
GREENSVILLE COUNTY, VIRGINIA**

By: \_\_\_\_\_  
Chairman

**GREENSVILLE COUNTY WATER AND  
SEWER AUTHORITY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**VIRGINIA RESOURCES AUTHORITY**

By: \_\_\_\_\_  
Stephanie L. Hamlett, Executive Director



**RESOLUTION WS #19-41**

**MEMORANDUM OF AGREEMENT BETWEEN THE VIRGINIA DEPARTMENT OF MILITARY AFFAIRS (VDMA) AND GREENSVILLE COUNTY WATER & SEWER AUTHORITY (AUTHORITY)**

**WHEREAS**, the VDMA owns and operates a waterworks located in Greenville County that serves the National Guard Armory and the Truck Driver Training School;

**WHEREAS**, the Authority has been providing quarterly water sample collection, operational and maintenance services to VDMA since 2003;

**WHEREAS**, VDMA requested the Authority provide additional water sample collection, operational and reporting services from the Authority;

**WHEREAS**, VDMA prepared the attached proposed Memorandum of Agreement (Agreement) for the requested new services;

**WHEREAS**, the Authority's Attorney reviewed and approved the proposed Agreement;

**WHEREAS**, Staff recommends the Authority execute the proposed Agreement;

**NOW, THEREFORE, BE IT RESOLVED, THAT THE AUTHORITY:**

1. Approves the Memorandum of Agreement;
2. Authorizes the Authority's Director to execute the Memorandum of Agreement.

---

Raymond L. Bryant, Jr., Chairman  
Greenville County Water & Sewer Authority

ATTEST:

---

Denise A. Banks, Clerk  
Greenville County Board of Supervisors

Adopted this 17<sup>th</sup> day of June, 2019



# COMMONWEALTH of VIRGINIA

MG TIMOTHY P. WILLIAMS  
THE ADJUTANT GENERAL

**DEPARTMENT OF MILITARY AFFAIRS**  
**OFFICE OF THE ADJUTANT GENERAL**  
**VIRGINIA NATIONAL GUARD**

JOINT FORCE HEADQUARTERS  
8000 JEFFERSON DAVIS HWY  
BUILDING 430  
RICHMOND, VA 23297

## MEMORANDUM OF AGREEMENT

BETWEEN

VIRGINIA DEPARTMENT OF MILITARY AFFAIRS (VDMA)

AND

GREENSVILLE COUNTY WATER AND SEWER AUTHORITY (GCWSA)

**PURPOSE:** To outline the responsibilities and procedures for well water testing at the Emporia Readiness Center.

**BACKGROUND:** The VDMA operates a transient noncommunity waterworks located in Greenville County, in accordance with Title 32.1 of the Code of Virginia and 12VAC5-590 et seq. of the Virginia Waterworks Regulations. The waterworks has a capacity of 22,230gpd. VDMA must operate the waterworks in accordance with Part II of the Virginia Waterworks Regulations titled "Operation Regulations for Waterworks". VDMA permit 3081075 was issued by the Virginia Department of Health, Office of Drinking Water on 20 December 2017.

The waterworks consists of a well, a 5,000 gallon hydropneumatic tank, a hypochlorination system, an ion exchange unit, and the distribution system. The facilities include a single connection utilized as an Army National Guard Recruiting and Drilling Center. Operation, monitoring and reporting shall be in accordance with Title 32.1 of the Code of Virginia and 12VAC5-590 et seq. of the Virginia Waterworks Regulations. VDMA is required to submit a monthly operation report, quarterly coliform sampling, Nitrate + Nitrite sampling yearly, Bacteriological (MPN) sample annually, backflow device testing annually and perform an inspection of the hydropneumatic tank annually.

GCWSA provides public water and/or public sewer system to serve portions of Greenville County as well as a portion of the city of Emporia, Town of Jarratt and Sussex County. GCWSA establishes and furnishes information on the rules, regulations, and construction requirements which have been adopted by the GCWSA in accordance with Section 15.2-5100 to Section 15.1-1270, inclusive, of the Code of Virginia of 1950 and which are applicable to the public water and sanitary sewerage facilities now existing or which may in the future be under the jurisdiction of the Greenville County Water and Sewer Authority. The Rules & Regulations establishes the rates, rules, and regulations which govern the use of the public water and sanitary sewerage facilities and provides the construction, and connection of these utilities shall conform when such utilities are proposed for use of residential, business, commercial, or



industrial purposes within the Jurisdictional Area of the Greenville County Water and Sewer Authority.

#### REQUIREMENTS:

The Greenville County Water and Sewer Authority will provide the requested scope of work at the following rates and conditions on an as-needed basis.

TASK	COST
Record well reading and test chlorine residual three times per week in the well house. Adjust dosage and refill bleach tank as needed.	\$60.00 per trip. \$180.00 per week, cost includes reagents & bleach. VDMA to provide chlorine test kit.
Prepare and submit quarterly report of operation to VDH and VDMA	\$60.00 per month
Collect coliform samples	\$25.00 per sample
Collect nitrite/nitrate samples	\$25.00 per sample
Procurement of sample kits	Lab invoice price plus a \$10.00 administration fee per invoice
Samples delivered to Consolidated laboratory by way of current courier system	Cost included in sample cost
Technical operation/maintenance assistance	\$45.00 per hour, during normal business hours. After normal business hours, weekends, holidays at one and one half normal rates

#### VDMA:

1. Notify GCWSA of needed testing.
2. Assign a contact person to allow the Authority staff members to schedule and enter the facility when quarterly samples are collected in the Armory building and provide keys to the well house.

#### GCWSA:

1. Assign and update contact personnel as noted below.
2. Provide results of analysis to VDMA quarterly, however coliform positive tests will be immediate.
3. Invoice VDMA quarterly.



CONTACTS:

**Scott Nunnally (primary)**

GCWSA

1781 Greenville County Circle

Emporia, VA. 23847

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**Glen Gibson (alternate)**

GCWSA

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**Gary Mitchell (alternate)**

GCWSA

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**Emergency**, After normal business hours  
weekends, holidays. Call the Greenville County  
Sheriff's Office at:  
Phone 434-348-4200

VDMA contacts:

**Pamela Coleman (primary)**

NGVA-FMO-ENV

Building 316, Fort Pickett

Blackstone, VA 23834

Phone: (434) 298-6445

[pamela.w.coleman.nfg@mail.mil](mailto:pamela.w.coleman.nfg@mail.mil)

**Marty Cogar (alternate)**

NGVA-FMO-ENV

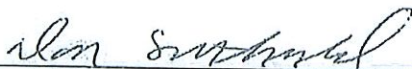
Building 316, Fort Pickett

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Phone: (434) 298-6407

[marty.m.cogar.nfg@mail.mil](mailto:marty.m.cogar.nfg@mail.mil)

**TERMINATION:** This agreement may be terminated by either party, at any time, by giving three months written notice.



VDMA CFO

\_\_\_\_\_  
GCWSA Director

\_\_\_\_\_  
Don Sutherland

Printed Name

\_\_\_\_\_  
Brenda N. Parson

Printed Name

10 JUNE 2019

Date

\_\_\_\_\_  
Date